



# Congressional Record

United States  
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PROCEEDINGS AND DEBATES OF THE 85<sup>th</sup> CONGRESS, SECOND SESSION

## SENATE

WEDNESDAY, APRIL 23, 1958

Rabbi Philip S. Bernstein, Temple B'rith Kodesh, Rochester, N. Y., offered the following prayer:

O Thou, watching over Israel, we lift our hearts to Thee, as our fathers did before us, in gratitude and hope. We thank Thee for the heritage of faith that has sustained men and nations, for the light Thou didst shed on their way by Thy revelations of truth, for the ideals that have moved Thy children at their best and to their best.

Standing before Thee at this historic hour in this historic place, our thoughts turn to the ancient people who early found their way to Thee, clinging to Thee with unflagging devotion, bearing witness through the generations to Thy living presence. It was Thy love that sustained them, Thy promise which preserved them through every trial and tribulation, and brought them, creative and faithful, to this momentous hour.

Be with them now as, risen from the ashes of persecution and slaughter, they stand erect, strong and free in their ancestral homeland. They that sowed in tears have come home with joy, bearing their sheaves. Guide Thou their way, that out of Zion shall come forth the law, Thy law of justice for all mankind, and Thy word of light, healing, and hope for all Thy troubled children, from Jerusalem. Help them and their neighbors, who are bound together by their common humanity and need of Thee, to turn their swords into plowshares, their spears into pruning hooks, and to learn war no more.

As we pray for the peace of Jerusalem, we thank Thee for this sweet land of liberty which is our home. We thank Thee for its opulent bounties, Thy gift, for its manifold beauties bursting from the earth these lovely spring days, for its inheritance of freedom and its promise of brotherhood. We are grateful for the kinship of spirit which has linked this bastion of democracy in the New World to that beachhead of freedom in the Old World. We are grateful for the aid and understanding here generously given, and for the commitment to the free world there solemnly pledged. Help us to build and strengthen these bridges of mutual aid and shared knowledge, over which all men may walk toward a brighter day.

Above all, O Father of us all, we pray for peace; for as Thou art one, Thy children are one. No nation is an island unto itself. None can or need profit at

the hurt of another. With Thy bounty and their ingenuity, there is enough for all. Help us, then, to seek out our brethren of every creed, color, and clime, to join with them in lifting the burdens, the chains, from men everywhere, and to make Thy gift of life, liberty, and happiness the heritage of all. Amen.

## THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 22, 1958, was dispensed with.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 912) to amend the Navy ration status so as to provide for the serving of oleomargarine or margarine, in which it requested the concurrence of the Senate.

## ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colorado, and for other purposes;

H. R. 8437. An act to amend the act of August 3, 1956, to authorize certain personnel of the uniformed services to accept and wear decorations conferred by the Philippine Government; and

H. R. 9240. An act to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes.

## HOUSE BILL REFERRED

The bill (H. R. 912) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine was read twice by its title and referred to the Committee on Armed Services.

## LEAVE OF ABSENCE

Mr. CASE of New Jersey. Mr. President, I have been honored by being invited to make an address in Berlin on Saturday, April 26, 1958, on the occasion of the turning over of the Congress Hall to the city of Berlin. I ask unanimous consent that I may be absent from the Senate beginning tomorrow through Sunday, April 27, in order to fulfill that engagement.

The VICE PRESIDENT. Without objection, it is so ordered.

## COMMITTEE MEETING DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Fiscal Affairs Subcommittee of the Committee on the District of Columbia be permitted to sit during today's session of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

## LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in that connection be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

## TENTH ANNIVERSARY OF ISRAEL

Mr. JOHNSON of Texas. Mr. President, on behalf of myself and the distinguished minority leader [Mr. KNOWLAND], I submit a resolution for which I request immediate consideration. In order to permit other Members to become cosponsors of the resolution, I ask unanimous consent that it be held at the desk until 5 o'clock this afternoon.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, the resolution speaks for itself. It expresses the feelings of the American

people who have watched the steady growth of Israel for a decade.

Americans have been deeply impressed by the courage, the tenacity, and the determination with which the Israelis have built their country. It is a heart-warming demonstration of what can be done by determined men and women against great—and sometimes overwhelming—odds.

We wish Israel well. We hope it continues to flourish and prosper in dedication to the ideals of freedom and international cooperation, and that it will serve as a force to contribute to peace in the Middle East and in the world.

Mr. President, I send the resolution to the desk, and ask that it be read.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 294), introduced by Mr. JOHNSON of Texas, on behalf of himself, Mr. KNOWLAND, Mr. SALTONSTALL, Mr. FLANDERS, Mr. IVES, Mr. JAVITS, Mr. BEALL, Mr. PROXMIER, Mr. DOUGLAS, Mr. SMITH of New Jersey, and Mr. NEUBERGER, was read as follows:

Whereas the establishment of Israel as an independent state on May 14, 1948, represented a triumph not only for the Jewish people but also for all men who believe in human freedom, justice, and dignity; and

Whereas during the 10 years of its existence as a sovereign nation, Israel has successfully defended its independence, developed its economy; and

Whereas during such period, Israel has admitted approximately 900,000 Jewish immigrants from displaced persons camps in Germany, Austria, and Italy; from countries in North Africa and the Middle East; and from other countries throughout the world; and

Whereas by its achievements during the period of its existence as an independent state, Israel has developed democratic institutions in the Near East, and has played a constructive role in the family of nations; and

Whereas the 24th day of April is the 10th anniversary, according to the Hebrew calendar, of the establishment of Israel as an independent state: Now, therefore, be it

*Resolved*, That the greetings of the Senate of the United States are hereby cordially extended to the State of Israel upon the occasion of the 10th anniversary of its establishment as an independent nation; and be it further

*Resolved*, That the Secretary of the Senate is directed to transmit a copy of these resolutions, through the Department of State, to the President of Israel.

Mr. KNOWLAND. Mr. President, I desire to join the distinguished majority leader in urging the adoption of the resolution. Israel has played an important part in the family of nations. Israel is an independent nation which has made contributions at the United Nations and elsewhere. I am glad to endorse the resolution and to urge that it be adopted by the Senate.

Mr. JAVITS. Mr. President, I, too, would like to join my colleagues in the sponsorship of the resolution and in urging its adoption.

I have spoken many times on this subject on the floor of the Senate.

I desire to make one brief point today, which I believe is vital and important to all of us: In the minds of the harassed and persecuted people who repaired to Israel, there have been hours of great

agony and doubt as to the survival and endurance of their state. Now that 10 years have gone by, and now that the State of Israel is more secure, viable, and independent than ever, I think it fair to say that Israel is now established permanently in the firmament of nations.

The session of the Senate today was opened by prayer by the distinguished rabbi who heads the American Zionist Committee for Public Affairs, which is concerned with the work of those who are interested in Israel. He has spoken with many of us on many other occasions. Echoing his prayer, let me say that I believe we have the right to hope and expect that even those whose hearts are torn with adverse feelings with respect to the establishment of this state, must now recognize that it is fixed in the firmament of nations, to make its contribution as its destiny may allow, and that it should be permitted to do so in peace, for these people, who occupy this small amount of land, have suffered and endured unbelievably for centuries upon centuries. Their sufferings were summed up in the torment of the holocaust which Hitler let loose upon Europe, with the death of six million of their coreligionists in that holocaust.

The world is too prone to forget so deep a tragedy. The very least that men can do—and this includes men of good will who are in the Arab states, which have a tremendous tradition of humanitarianism—is to let Israel at long last enjoy this little bit of peace and security in their own land.

Let me point out that in these 10 years the fears that there would be an overexpansion in Israel, because of the pressure of immigration, have come to naught. There has been no such pressure on the borders of the state. On the contrary, there has been shown a tremendous capability for living within those borders and for absorbing everyone who wished to come to Israel. That capability exists in great enough measure to assure that in the decades ahead there will be no pressure to move out from Israel's borders.

Also, there has been a viability in the Government of Israel. The Arab minority have enjoyed the privilege of first-class citizenship. A standard of living has been established in Israel that is a model and a showcase for the free countries in that area of the world. Israel has been a true ally of every institution of the Free World in that part of the globe. Everything that was said by those of us who pleaded for aid for Israel in the mutual security program in 1951, 1952, and 1953, has come true. Israel has been worth more than her weight in gold in terms of reliability, and of value to the interests of the free nations in a strife-torn part of the world.

I think the Senate has a right to adopt the resolution with a deep confidence that we shall be doing one of the greatest humanitarian acts which mankind has ever known, and also doing an affirmative act in the interest of the free world, and in aiding the national security of our own country.

Mr. IVES. Mr. President, the 10th anniversary of the State of Israel is an occasion of rejoicing and rededication.

We hail Israel's first decade of progress, her triumphs over adversity, her glowing future prospects. And we join in pledging anew our support, our good will, and our prayers for Israel in the years that lie ahead.

The United States and Israel share an overriding concern for the preservation of peace in the Middle East. They have a mutual aim of defeating the sinister designs of communism in Africa and Asia. More than any other nation, the United States was responsible for the creation of Israel. I feel that I have been privileged to play a part, however small, in the creation and strengthening of the vibrant democracy that is Israel.

Mutual interests link the United States and Israel. Ideals, principles, and a common faith in the dignity of man bind these nations together. Let this 10th anniversary be a moment of rededication to the humanitarian principles which are making Israel great—even as they made the United States a beacon of hope in the world.

Mr. DOUGLAS. Mr. President, I also wish to join my colleagues in expressing congratulations to the State of Israel for the splendid record which it has made in the 10 years of its history, and also to express my hope that the years ahead may be years not only of material prosperity, but of peace and cultural development.

The VICE PRESIDENT. The question is on agreeing to the resolution of the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, unless Senators wish to speak on the pending resolution, I should like to have action on it, if I may, because I must leave the Chamber.

Mr. PROXMIER. Mr. President, I should like to say a word on the resolution.

The VICE PRESIDENT. The Senator from Wisconsin.

Mr. PROXMIER. I am happy to join with my colleagues in honoring Israel on the occasion of the 10th anniversary of its independence. This country's first decade has been one of unparalleled achievement in human as well as material terms. Dedicated to freedom and democracy in a region of the world that for centuries has known only dictatorship and repression, Israel has shown graphically what a free people can accomplish in the face of enormous natural obstacles and hostile neighbors.

Gathered from all parts of the world, the people of Israel are pioneers in the true sense of the word. Like the early settlers of the West, they are full of courage and determination. They are frontier people, and if the theory of the celebrated University of Wisconsin historian, Frederick Jackson Turner, that our American frontiers have had a major influence on our lives, is correct, then unquestionably the frontiers of Israel have been a major influence in shaping the development of that people.

Israel has rendered a great humanitarian service in providing more than 900,000 homeless men, women, and children from the concentration camps of Europe, and from the ghettos of Africa and Asia, with a chance to regain their



self-respect and to live normal productive lives. They have done this at great cost to their national economy and at considerable personal sacrifice, but at the same time they have defended their liberty and strengthened the institutions of democracy.

America can be proud of the financial help it has given Israel during its first decade. America can be proud that it has helped to strengthen this young nation, and it is no exaggeration to say that the friendship of the American people continues to be one of the most important pillars of Israel's strength. The cause of democracy and the free world has gained immeasurably because there is a strong, independent Israel in the Near East today. In the world conflict between East and West, which is now making the Middle East its battleground, we are fortunate to be able to point to a country where democracy and freedom are proving so successful.

The people of Israel have also demonstrated their ability to defend themselves when their security has been threatened. At the same time they have repeatedly extended the hand of peace to all their neighbors, with a sincerity that cannot be doubted. Israel wants peace. Only this week her Prime Minister, David Ben-Gurion, in a television interview, offered to disarm his country if his neighbors would do likewise. In its desire for peace and economic development, in its love of freedom and devotion to democracy, in its tradition of humanitarian service and in its provision of homes for the homeless, Israel reflects also the interests of the United States. For our part, we can aid in the achievement of peace in the Middle East by making it clear that we will not tolerate any aggression against Israel. Only when Israel's neighbors understand that it is in their own best interests to cooperate with each other and with Israel for the development of the entire region, will peace come. All our efforts should be devoted toward that goal.

Mr. SALTONSTALL. Mr. President, today marks the 10th anniversary of the establishment of the free State of Israel. Just 10 years ago the community of free peoples was strengthened by the creation of a democratic nation.

In one short decade we have witnessed the remarkable progress of the Israeli state. Its heritage, its culture, its dedication to human freedom and human dignity have enabled it to become a stalwart ally among the free nations of the world.

We in America seek peace and freedom for all men. For this reason the preservation of the free and independent State of Israel has been, and will remain, a fundamental tenet of American foreign policy.

On this 10th anniversary of Israel's restoration, I join the millions of friends of Israel all over the world in paying tribute to the heroic people of this nation—to the progress which they have made in furthering their democratic institutions—and to the ambition which they share with us to achieve dignity and brotherhood for all men.

Mr. SMITH of New Jersey. Mr. President, I desire to identify myself fully

with the resolution offered by the majority leader, concurred in by the minority leader and other Senators, with respect to the 10th anniversary of the founding of the State of Israel.

Mr. President, tomorrow, April 24, will be the 10th anniversary of the independence of Israel. We, in America, are happy to salute this gallant land on the occasion of the celebration of its first decade as a member of the nations of the world.

Israel's career has been stormy and difficult, but it enters upon its second decade with a vigorous, democratic society, and a developing economy which is expanding both agriculturally and industrially at a healthy rate. The eastern shore of the Mediterranean is beginning to bloom again in a manner not seen for centuries.

It has seemed to me in the second decade of the life of this courageous little country that it can well dedicate itself to the challenge of peace in the area in which it thrives. It can show to the other nations of the area and the free world that the eternal spiritual truths on which its whole history has been founded are the possession not only of Israel alone, but also the possession of the entire world.

Israel and the Middle East area is the birthplace of many of the world's great religions. Leadership in the establishment of these spiritual values could well be the proud objective of these courageous people.

Israel has demonstrated how a sound democracy can thrive in the midst of adversity. We, in America, welcome this opportunity to congratulate it on its 10th birthday. We also take this occasion to renew our determination that we and other nations will continue to search for means of alleviating the tensions and difficulties which confront Israel and the states adjacent to it, to the end that peace and prosperity will be the blessing of every country in the Middle East.

Mr. BEALL. Mr. President, today the Senate of the United States is honoring the State of Israel which will celebrate its 10th anniversary tomorrow.

Ten years ago a new nation was formed, the State of Israel, founded on principles similar to those on which our own country was founded.

In 10 short years this vigorous young nation has withstood aggression, turned the desert into fertile farmland, begun an ambitious industrial program, and gained the respect of the world.

Israel has shown the world how a people with ideals based on the principles of freedom, sacrificing mutually, and pulling together, can form a great and free nation.

In these days of man-made satellites circling the earth, of atomic power, of intercontinental missiles, and of talk about interplanetary travel, we are liable to lose sight of the one thing that makes us a strong nation: The determination in our hearts to remain free. It follows, then, that we are a nation where the people govern through free elections. This idea of freedom has become a part of the lives of our people, and for this we are known throughout the world. Thus, our country has been a shelter for the

persecuted of the world, a sanctuary where liberty, justice, and equality are the accepted rule. It is significant that these very ideals are those on which the State of Israel was founded. And Israel has grown in stature to a great and respected nation.

As a representative of the people of Maryland, I extend to the people of the State of Israel our sincere congratulations on the 10th anniversary of the founding of their nation.

Mr. CASE of New Jersey. Mr. President, 10 years ago the new State of Israel was proclaimed. Minutes after the declaration of a new independent nation, the United States announced formal recognition of its government, the lone democracy in the ancient lands of the Middle East.

The years since then have brought development at a pace unmatched by any other nation in modern times. Certainly, few have confronted greater difficulties in their initial years. A barren land which would require enormous effort to make productive, the normal sources of food supply largely cut off, a steady influx of immigrants and refugees, most of them with little or no agricultural experience, little industry, hostile neighbors on virtually every side—little wonder that some thought Israel would not long survive. But Israel had one priceless asset—a people firmly determined to build a strong and enduring nation, in which each could make a useful life.

Indeed, the very precariousness of those early years, the hardships and dangers that were a part of daily life, stimulated efforts that were truly prodigious.

In 10 years Israel has come a very long way. Primary emphasis has, of course, been put on the development of agriculture. This has meant investment in irrigation, agricultural equipment, fertilizers, and training programs. Israel is not yet self-sufficient in all foods, but the days of strict rationing, of barely skirting the threat of starvation, are behind, forever behind, we hope. Even though wisdom and necessity dictated giving agricultural development first place, industrial growth has also proceeded at a rapid rate. Over an 8-year period, Israel has managed to achieve a fivefold increase in exports and to meet her financial obligations at home and abroad. Overall imports still exceed exports, but the young economy has demonstrated a vitality and capacity for growth that is from any objective point of view, very remarkable.

In all of this, Israel has been greatly helped by the assistance—technical, financial, and economic—extended by other nations and by millions of individuals, not only in the United States, but all over the world, to whom the establishment of Israel was the triumphant vindication of basic principles of humanity and justice. To see the good use to which outside help has been put, the many-fold return it has so quickly brought, provides a rare satisfaction.

Important though outside assistance has been, and will continue to be for some time, the indispensable ingredient in Israel's progress remains her people. Only a people with a high degree of

social responsibility, with the ability to organize themselves effectively and make the most of meager resources, could achieve a standard of living which already contrasts so favorably with that of many of her neighbors, including those endowed with great natural resources.

Much of the hardest part is behind them. But new and no less challenging problems lie ahead. Domestically most important is that of helping many of the new immigrants coming from traditional, almost feudal backgrounds of Middle Eastern countries, to take their places in a modern dynamic society shaped by and dedicated to western ideals. I have no fear of the outcome.

A people who have demonstrated the courage and skill which has brought Israel through this first decade cannot fail to meet the new challenges which lie ahead.

Mr. HUMPHREY. Mr. President, tomorrow, April 24, will mark a memorable occasion—the 10th anniversary of the founding of the State of Israel. At this time, it would be appropriate to reaffirm our confidence in Israel's future and pleasure in her magnificent achievements. I ask unanimous consent to have a copy of the letter which I sent to Prime Minister David Ben-Gurion printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

His Excellency DAVID BEN-GURION,  
Prime Minister of Israel,  
Tel Aviv, Israel.

DEAR MR. PRIME MINISTER: On the occasion of the 10th anniversary of the State of Israel, I wanted to send you my personal congratulations and warmest good wishes. This is an occasion for rejoicing among friends of Israel all over the world. Probably no nation in history has accomplished so much in so short a time.

This splendid record of achievement and progress is a tribute to the dedication, the sacrifice, and the faith of the people of Israel. Your great leadership during these trying days of Israel's freedom and independence has been a source of inspiration, not only to your own people, but to free men everywhere.

I will long remember our visit about a year ago. I shall be ever grateful to you and your countrymen for the hospitality and friendly welcome that was extended to me and my associates during our visit to Israel. I am sure you know that we were very favorably impressed with the many accomplishments that were so evident everywhere.

Before many months go by, I hope that we may meet again and this time in the United States.

I have deemed it an honor and a privilege to participate in some of the programs and efforts which have been undertaken here in the United States, designed to be of assistance to the people of Israel. Permit me to join my fellow Americans in saluting you and the State of Israel on the occasion of the 10th anniversary. We wish you and your country the blessings of freedom, peace, and continued progress. All of these you richly deserve.

With admiration and best wishes, I remain,  
Respectfully yours,

HUBERT H. HUMPHREY.

Mr. NEUBERGER. Mr. President, several years ago my wife and I rode along a wilderness path high above the rushing Lochsa Fork of the Clearwater River in Idaho. We were following the

westbound trail of the first Americans to cross the continent, Meriwether Lewis and William Clark. We were only 150 years behind them. Our vast country was crossed for the first time but a century and a half ago. America is that new.

New nations still rise, new national histories still have their beginnings, as the 2½ billion of us who share the earth seek for workable institutions in which to govern ourselves and live according to our diverse cultures and in peace with our neighbors. This century will be marked, in the long sweep of human history, as one in which the drive for nationhood reached its climax, and in which more peoples assumed that status than at any other time.

Today we herald a nation whose modern history commenced only a decade ago—the Republic of Israel. To the youngsters in Israel—and to young men and women studying history in schools in Indonesia, Ghana, Sudan, Tunisia, and all the other new nations—the United States today must appear as one of the oldest, most permanent of States in the world—powerful, almost lavishly rich, and correspondingly conservative; a bit tired and, alas, leary of new ideas. For these nations stand today where we stood 150 years ago, on the threshold of national history, impatiently contemplating such vast established empires as those of Great Britain and France.

Yet Israel's case is different, and it is unique. Located in the very cradle of western history, it represents to its people, not the opening of a virgin continent but the renaissance of a national community whose origins antedate European history, even those of Greece and Rome.

The pioneers and settlers of the modern Israel did not vanquish physical elements—the heat and cold, the floods and the drought, the wilderness of an unexplored continent. In a century when man has long mastered his physical environment, their struggle was against human obstacles—against prejudice and poverty, against ignorance and intolerance, against hate and organized, inhuman cruelty unmatched in modern history.

Mr. President, in the history of this small, new nation that won its independence and sovereignty just 10 years ago, in the lives of the few hundred thousand men and women of our generation who now seek to maintain a community of freedom and democracy in a narrow strip on the eastern shore of the Mediterranean, there is sharply focused much of the record of our century. That record—with its unprecedented extremes of triumphs and tragedies, of heights of civilization and depths of barbarism, of enlightenment and fanaticism, of nationalism and internationalism, of generosity and destruction—is uniquely reflected in the record of the people of Israel, as in a many-faceted mirror. It is good to have this occasion, on Israel's 10th anniversary, to contemplate that record, for it holds many lessons to remind us of the times in which we have lived and now live today.

Israel today stands as testimony to the tragic failures of modern civilization, and

to its unending struggle for ultimate triumph over those failures.

As an independent, national refuge for hundreds of thousands of men and women from all over Europe, Israel testifies to the failure of the 19th-century gospel of inevitable human progress, to the tragic reversal of its hopes for a cosmopolitan community in which men of any race, religion, or origin could live as individuals, in freedom and equality. It testifies to the defeat of rationalism by conscious irrationalism; to the deliberate, senseless brutality of Russian pogroms; and to the racist fanaticism of Nazi extermination camps.

Many thousands have recently fled to Israel from homes in Africa and the Near East that they had occupied for generations.

But if Israel was born from the failure of men of different religions to live together in peaceful and free communities, it also represents great triumphs of leadership, of dedication, of self-sacrifice for the ideal that there might be established—on the site of its most ancient roots—a new community in which such life could flourish in peace and in freedom.

Israel today reflects the faith in nationalism and in national self-determination that found its most idealistic apostle in Woodrow Wilson. Israel also reflects the new internationalism, the faith in organized international search for solutions to hard problems, that is represented in the United Nations. It is nationalism—the conflicting national interests and aspirations of Israel and its neighbors in the Near East—that gives these countries their dynamic drives today; and it is also nationalism that creates and maintains the crises that retard and threaten forever to destroy the opportunities for peaceful progress in that region. Internationally, probably no other area in the world has been so directly and consistently a challenge to the peacemaking abilities and effectiveness of the United Nations—from the first postwar crisis in Iran to the invasion of Suez.

After 10 years, Israel still represents an outstanding test to the United Nations, to the United States, to the other western democracies from which it draws its ideals of justice and liberty, and to itself.

Fundamental is the problem of Israel's situation among hostile neighbors, whose governments face almost insoluble difficulties of their own, and which include the critical human issue of the former Arab inhabitants of Palestine. This situation was summarized with his customary eloquence by former Prime Minister Winston Churchill, himself one of the chief actors in the drama of this century, in his article which was published in *Look* magazine of April 29. He wrote:

The ineffective violence of the birth of the State of Israel has sharpened the difficulties of the Middle East ever since. I look with admiration on the work done there in building up a nation, reclaiming the desert and receiving so many unfortunates from Jewish communities all over the world. But the outlook is somber. The position of the hundreds of thousands of Arabs driven from their homes and existing precariously in the no-man's land created around Israel's fron-



ties is cruel and dangerous. The frontiers of Israel flicker with murder and armed raids. The more farsighted Arab leaders cannot voice counsels of moderation without being howled down and threatened with assassination. It is a bleak and threatening scene of violence and folly.

But Mr. Churchill then continued, with vigor and with high hopes:

One thing is clear. Both honor and wisdom demand that the State of Israel should be preserved, and that this brave, dynamic, and complex race should be allowed to live in peace with its neighbors. They can bring to the area an invaluable contribution of scientific knowledge, industriousness, and productivity. They must be given an opportunity of doing so in the interest of the whole Middle East.

To this opportunity, Mr. President, the West can contribute much. The United States, in particular, has a long tradition of friendship and generosity toward newly independent nations, in which we take much pride—just as the young United States a century and a half ago relied upon and enjoyed the friendship of leaders in the Old World who admired our embarking on an independent venture in liberty and democracy. Private generosity of friends of Israel in the United States has already contributed largely to Israel's struggle with its difficult economic and social problems during its 10-year history. Let us hope that, with the help of wise policies by ourselves and the rest of the free world, Israel's greater problems of national existence will also move toward a solution that will permit the next decade of Israel's history to be remembered as a period of peace and progress, in accommodation with its neighbors, toward a better way of life for its people and those with whom it shares the lands and rivers of the Near East.

Mr. President, on April 17, 1958, it was my privilege to appear on the program of the annual banquet of the America-Israel Society where I presented to the youth of Israel a complete set of Landmark books for children—books which emphasize the great historic achievements and landmarks of the United States.

As a part of that program, a most moving and able address was delivered by Ezra Taft Benson, Secretary of Agriculture. He described his own extensive journey to the Republic of Israel, last year. Mr. Benson's speech made a profound impact on the large audience in attendance at the banquet of the America-Israel Society—a banquet presided over by Governor Theodore R. McKeldin, of the State of Maryland. I believe, and request unanimous consent for that purpose, that the text of the address by the Secretary of Agriculture should be included in the CONGRESSIONAL RECORD at the conclusion of these brief remarks of my own, heralding the 10th anniversary of Israel as a nation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON BEFORE THE AMERICA-ISRAEL SOCIETY, WASHINGTON, D. C., APRIL 17, 1958

It is a signal honor and a distinct pleasure to be with you at this fifth national dinner of the America-Israel Society, observing the

10th anniversary of the establishment of Israel as an independent nation.

The society is rendering distinguished service in bringing together true fellowship through the exchange of ideas and through actions of mutual interest to the United States and Israel. This makes possible improved understanding and good will between these two countries. I like the aims, ideals, and purposes of this society—the increased cultural understanding between these two Republics. Both nations are fortunate that there is such an organization functioning—and with such a vital interest. I am pleased to participate with you in this undertaking.

I have long had a deep and sincere interest in the lands of the Near East of which the new nation of Israel is a part. But not until recently did I have the opportunity of observing at first hand something of Israel, its people and particularly its agriculture. I count myself fortunate to have had such an opportunity.

My particular interest in Israel goes back a long way—back, in fact to the days of my youth. We know that the Scriptures contain a number of predictions by the holy prophets that in time there would be a gathering together of the scattered remnants of Judah. I have long known of God's covenant with Abraham, Isaac, and Jacob that their lands would be for them and their seed an everlasting inheritance. These things have been among my basic religious beliefs.

As early as 1841 one of the leaders of the church of which I am a member—Elder Orson Hyde—traveled to Palestine for the express purpose of dedicating and consecrating that land for the gathering together of the Jewish people. In that year, before there were any transcontinental railroads, before there was electric light, or the gasoline engine, the lands of which the new nation of Israel is a part were solemnly dedicated for that which has been and is coming to pass. On the Mount of Olives and on the top of Mount Zion in Jerusalem where now stands the tomb of King David and other monuments dear to the memory of Jews, Moslems, and Christians alike, Elder Hyde offered dedicatory prayers and then erected crude stone monuments as symbolic of the dedication. And so—the development of the new nation of Israel more than a 100 years later was of no real surprise to me—rather, it has been and continues to be, in my view, the fulfillment of prophecy.

Last fall during a trip abroad in the interest of American agricultural trade I had, with members of my staff, a brief but very rewarding visit to Israel. I observed many great changes in that area of the world. It is abundantly evident that Israel is making outstanding progress in developing the country and lifting the living standards of its people through vigorous and imaginative development of its agricultural and industrial potentials through the democratic processes. In truth, Israel is engaged in lifting itself by what one might call "Operation Bootstrap." The desert is blossoming as the rose.

During my relatively short visit I met hundreds of people, government officials, farmers, business and trade people, and leaders in the professions.

We found in talking with them that Israel aspires to become a major factor in industry and commerce in that part of the world. But her leaders and people are not overlooking the importance of agriculture. In an economy where great advancements are being made, I believe the greatest advancement of all is in the field of agriculture. They are looking to agriculture as a source not only of economic strength but also of spiritual strength.

Israeli farmers with the wise help of their Government are accomplishing great things with modern methods and techniques in that Old World setting.

With government leaders as hosts we saw much of the country. We drove by auto-

mobile into rural and urban areas, and I was taken in a small plane for a low-level aerial inspection of much of the country, including all of the principal agricultural areas.

I was greatly impressed by the work being done in reforesting hills denuded and eroded over the centuries by removal of trees and overgrazing and then left open to the winds and the elements. It was a joy to see olive trees and citrus groves on the lower hillsides and in the valleys.

We were privileged to visit one of Israel's 230 rural cooperative villages near Jerusalem. This cooperative, or communal village, we were told, was typical of the others in Israel. This particular settlement of about 50 families appeared to be thriving, with neat homes, modern conveniences, and healthy looking residents. The village maintained a fairly large dairy operation, a substantial poultry enterprise, a fruit orchard, and other projects in what appeared to be a well-balanced, modern farm operation.

Lack of plentiful water resources is a great obstacle to both agriculture and industrial development in Israel just as it is in many sections of our own country. But it poses a much greater problem in that smaller area.

It has been pointed out to me that there is in operation the informational media guaranty program under which America and Israel are establishing closer ties in the cultural field as the result of the Katzen mission. Under this program are several agricultural projects including a program of scientific research and development in the desalting of water. This project could help produce very valuable results, not only to Israel, but to many other countries where water for agricultural purposes is scarce.

In the short time that Israel has existed as a state there has been a tremendous development in changing her agricultural productivity from dryland farming to irrigated farming. Today, Israel has about a million acres under cultivation, of which about one-fourth is irrigated.

I recall the promise of Isaiah that "in the wilderness shall waters break out, and streams in the desert. And the parched ground shall become a pool and the thirsty land springs of water."

In recent years Israel has made substantial gains in crop yields and total agricultural output. Yet the country still produces only about two-thirds of its food needs on a value basis, and only about one-half of its needs on a nutritional basis. It is deficient in the production of such products as wheat, feed grains, sugar, edible oils, meat, and dairy products. The United States has surpluses of most of these items and they have been made available to Israel in fairly large volumes under authority of the Agricultural Trade and Development Act, commonly known as the Public Law 480 program. Under this act we can sell surplus agricultural commodities to other countries and be paid in their local currencies. The act also permits donations to needy peoples.

Since the beginning of that program in 1955, the United States has sold to Israel, for Israeli pounds, agricultural commodities with an export market value of over \$87 million, including more than 300,000 tons of wheat and flour, more than 400,000 tons of feed grains, almost 20,000 bales of cotton, 60 million pounds of dairy products, more than 30 million pounds of fats and oils, and a number of other products.

In addition are our exports of agricultural products to Israel for dollars. During the past 2 years the sales for dollars amounted to about \$28 million.

In addition, since 1953 the people of the United States have donated a total of 52.5 million pounds of food valued at \$24.4 million to voluntary agencies for distribution to the needy of Israel.

We are happy that we are able to share our bountiful supply of food commodities with our friends throughout the world. Never in history has a nation been more generous in making its food supply available to the needy than has the United States during the last 5 years. It is heart warming to see the constructive use of the foods furnished, as I did on my trip to Asia and Europe last fall.

Through determination and unrelenting labor, and under some great difficulties, the people of Israel are accomplishing big things. I was told that Israel has many forward-looking plans for further developing and supplementing her water resources and that remarkable progress in this already has been made.

There have been many pains and problems in developing that rapidly growing nation. But the evidence is clear that the leaders are sincerely earnest and purposeful in their efforts to better the lot of their people.

Seeing the advances that have taken place in recent years was impressive. A visit to that modern and bustling city of Tel Aviv on the Mediterranean gave me a feeling of being in one of the progressive and prosperous cities of this country. One feels the confidence and unbounded energy that are in the Israeli people. There is a strong determination to carry on, to succeed in the face of great obstacles. The fact that this new Republic in the Middle East is celebrating its 10th anniversary is testimony to that confidence and of the energy, the intelligence, and resourcefulness of its citizens and friends.

The problems, experiences, and the heritage of the founders of this new nation of Israel bring to my mind the great efforts, the sacrifices, and the success of the pioneers of our own great land who, more than 100 years ago, settled the Intermountain West which I call home. Those pioneers were strong, courageous, and religious people. Strengthened by their faith in the Almighty they sought and found cherished freedom. Through faith, frugality, honest toil, and inspired leadership they succeeded in their goal. History records that even the climate in that land was tempered for their sakes and the humble, untiring efforts made the "desert to blossom as the rose."

That was one outstanding page of history; the development of the modern nation of Israel is another. Man can learn much from the costly yet priceless lessons of the past, and those who cannot learn from the past are poor stewards of the future.

The history of the western pioneers contains many accounts of trying hardships. But always there was a spirit of independence, optimism, encouragement, and gratitude for the blessings they received.

The experiences of people who go through great hardships to establish new homes, new surroundings, and new lives provide many lessons of courage, self-reliance, faith, endurance, and independence even to the people who follow them. All generations and all people have equal need of these virtues. All too often in my capacity as Secretary of Agriculture have I observed philosophies and forces which tend to indicate the desire for shackling of man's liberties and the restriction of his freedom. Too frequently there are pressures for government benefits to replace the fruits of individual or group initiative and resourcefulness. Had the Founding Fathers of this Nation, or of other nations such as Israel, lived by such a philosophy those nations would not have grown and progressed as they have.

Yes, these lessons of history stand as illustrations and as guideposts to help us safely chart our course for the future. Our great President, Dwight D. Eisenhower, has said: "Our resources are too many, our principles too dynamic, our purposes too worthy, and the issues too immense for us to entertain

doubt or fear." This might well be considered to apply more than to the United States.

There are other examples that have been so vividly given to us, in the lives and efforts of those who have done so much to establish and maintain responsible nations. We should observe such wise counsel as this:

Every right implies a responsibility, every opportunity an obligation, every possession a duty; that government is the servant of the people, not their master; that one cannot build character and courage by taking away man's initiative and independence.

A lesson that should be learned by all is that you cannot help men permanently by doing for them what they could do and should do for themselves.

These are standards that are true today and have been true always, because truth never changes.

All over the Free World people are concerned with standards—and goals. Chief among these are the goals of peace and an improved standard of living. Friendship and cooperation are vital to both of these highly desirable goals. Agriculture is contributing greatly to an improved standard of living for many people. By that it is contributing to more peaceful attitudes and conditions.

I firmly believe that friendship and cooperation between nations will prevail if there is understanding and perseverance. For progress comes to those who persevere, with a deep faith in the ability of mankind under God to create a better future. Let this be our goal.

**THE VICE PRESIDENT.** The question is on agreeing to the resolution offered by the Senator from Texas [Mr. JOHNSON].

The resolution (S. Res. 294) was agreed to.

**THE VICE PRESIDENT.** Morning business is now in order.

#### EXECUTIVE COMMUNICATIONS, ETC.

**THE VICE PRESIDENT** laid before the Senate the following communication and letters, which were referred as indicated:

AMENDMENTS TO BUDGET FOR FISCAL YEAR 1959, LEGISLATIVE BRANCH, AND DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (S. Doc. No. 92)

A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1959, involving increases in the amount of \$663,150 for the legislative branch, and \$1,700,000 for the Department of Health, Education, and Welfare (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

#### PROPOSED CONCESSION CONTRACT, GRAND TETON NATIONAL PARK, WYO.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract in Grand Teton National Park, Wyo. (with accompanying papers); to the Committee on Interior and Insular Affairs.

#### AMENDMENT OF BANKRUPTCY ACT

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to amend subsection b of section 60—Preferred Creditors; subsection e of section 67—Liens and Fraudulent Transfers, and subsection e of section 70—Title to Property, of the Bankruptcy Act (11 U. S. C., 96b, 107e, and 110e) (with accompanying papers); to the Committee on the Judiciary.

#### SUSPENSION OF DEPORTATION OF ALIENS— WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Henry J. Lim from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1957; to the Committee on the Judiciary.

#### ADMISSION OF DISPLACED PERSONS—WITH- DRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Chun I. Chang from a report transmitted to the Senate on January 15, 1958, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of his immigration status; to the Committee on the Judiciary.

#### AMENDMENT OF ACT OF AUGUST 5, 1954 (68 STAT. 674)

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

##### By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Agriculture and Forestry:

"Resolutions memorializing the Congress of the United States to make available surplus farm products to correctional institutions

"Whereas His Excellency the Governor, in his annual message to the general court on January 1, 1958, stated: 'The utilization of surplus food should be expanded to include benefits to correctional and other State institutions. If a portion of the available food surplus were so utilized, it would result in very substantial savings to the Commonwealth'; and

"Whereas the extension of surplus food to include correctional institutions will help to make effective use of the foods that are presently in warehouses and storage bins: Therefore, be it

"Resolved, That the General Court of Massachusetts memorializes the Congress of the United States to enact legislation amending section 416 of the Agricultural Act of 1949 so that surplus food may be distributed to correctional institutions; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth.

"House of representatives, adopted March 31, 1958.

"LAWRENCE R. GROVE,  
"Clerk.

"Senate, adopted in concurrence April 7, 1958.

"IRVING N. HAYDEN,  
"Clerk.

"A true copy. Attest:

"EDWARD J. CRONIN,  
"Secretary of the Commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing Congress to repeal the Federal excise taxes on transportation of persons and property

"Whereas the Federal transportation tax on the movement of passengers and freight was adopted as a wartime tax to discourage



movement of civilian passengers and freight in 1942; and

"Whereas hostilities having ceased, this tax, rather than being of a benefit to Massachusetts welfare, is now working as a detriment to Massachusetts economy; and

"Whereas the transportation tax, being inapplicable to certain carriers for hire, is working a hardship on those carriers for hire to whom said tax applies and which are essential to the national defense and welfare; and

"Whereas the transportation tax, because of its nature or application tends to become discriminatory as to communities and individuals, and tends to restrict trade areas, thereby interfering with the free flow of commerce; Now, therefore, be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to repeal the 3 percent Federal transportation tax on commodities shipped by carriers for hire, and to repeal the 10 percent transportation tax on passenger fares; and be it further

"Resolved, That a copy of these resolutions be forwarded by the Secretary of the Commonwealth to the Presiding Officer of each branch of Congress and Members thereof from this Commonwealth.

"House of representatives, adopted April 2, 1958.

"LAWRENCE R. GROVE,  
"Clerk.

"Senate, adopted in concurrence April 7, 1958.

"IRVING N. HAYDEN,  
"Clerk.

"A true copy. Attest:

"EDWARD J. CRONIN,  
"Secretary of the Commonwealth."

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"Assembly Joint Resolution 11

"Relative to construction of a salt water conversion demonstration plant

"Whereas the United States Department of the Interior has been conducting research and studies in the field of conversion of sea water; and

"Whereas the Department of Water Resources of the State of California and the University of California are pursuing programs of investigation and study of sea water conversion; and

"Whereas it is recognized that the development of a practical process for conversion of sea water would result in large savings to Federal, State and local agencies and have a beneficial effect on the economy of the Nation and the State; and

"Whereas several bills have been introduced in Congress including H. R. 10606, H. R. 11405, and House Joint Resolution 541 authorizing the Secretary of the Interior to enter into an agreement with the State of California providing for the construction and operation of a full-scale salt water conversion plant in California on a cooperative basis; and

"Whereas the construction and operation of a demonstration plant is essential to the development of reliable design criteria and cost data; and

"Whereas construction and operation of a demonstration plant in California would be beneficial to this State; and

"Whereas committees of the Congress are holding hearings on bills authorizing construction and operation of such demonstration plants: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (joint), That it is the intent of the Legislature of California to cooperate financially and otherwise with the Federal Government in developing processes for saline water conversion including the construction and operation of demonstration plants, and to coordinate the programs of the

State in the field of sea water conversion with the programs of agencies of the Federal Government; and be it further

"Resolved, That Mr. Harvey O. Banks, director of water resources, shall appear before appropriate committees of Congress to present the views of the State of California as expressed herein; and be it further

"Resolved, That the Legislature of the State of California respectfully memorializes the Congress of the United States to authorize the Secretary of the Interior to construct a full-scale salt water conversion demonstration plant in California in cooperation with the State of California; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the Assembly of the State of California; to the Joint Committee on Atomic Energy:

"House Resolution 58

"Resolution relative to memorializing the Federal Government to undertake and enforce special safety precautions in the disposal of radioactive waste

"Whereas the State of California is concerned about the ocean disposal of wastes in the Pacific Ocean off California; and

"Whereas ocean fishing in this State is an important industry supplying needed protein food to the people of the Nation; and

"Whereas ocean fishing in this State employs many thousands of people and is worth many millions of dollars annually; and

"Whereas disposal of toxic radioactive or other deleterious materials in the ocean presents potential hazard to marine animals; and

"Whereas the State of California is charged with the conservation of its marine resources and must raise issue with disposal practices that offer potential hazard to either the resources or their markets: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the State of California hereby petitions the Federal Government and the Armed Forces of the United States that any ocean disposal of any toxic, radioactive or deleterious material be carried out in not less than 2,000 fathoms and not less than 60 miles from any sea mount; and be it further

"Resolved, That any toxic materials be disposed in sealed containers of sufficient strength to withstand the pressures of 2,000 fathoms, and that all radioactive materials be packaged in accordance with the minimum standards set forth in the National Bureau of Standards Handbook 58, and the minimum standards prescribed by the President's National Committee on Radiation Protection and the regulations of the Atomic Energy Commission; and be it further

"Resolved, That the Assembly of the State of California is opposed to the philosophy of bulk disposal of radioactive wastes in ocean waters except in such concentrations and at such places mutually arrived at between the State of California and the Federal Government; and be it further

"Resolved, That the State of California will take such action from time to time as may be required to meet changing conditions and make such recommendations as may be deemed appropriate; and be it further

"Resolved, That the chief clerk of the assembly be directed to transmit suitably prepared copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives and to each Member of Congress of the United States representing the State of California."

A petition signed by sundry members of the Intermediate Department of the First Baptist Church, of Bloomingdale, Ga., praying for the enactment of legislation to prohibit the advertising of alcoholic beverages in interstate commerce; to the Committee on Interstate and Foreign Commerce.

## CONDITIONS IN NONFERROUS METALS INDUSTRY—PETITION

Mr. BIBLE. Mr. President, each day brings mounting evidence of the depths to which this Nation's mining industry has plunged. In the State of Nevada, for example, I have learned of another substantial reduction in force by the Nevada mines division of the Kennecott Copper Corp., and I understand the situation is similar in regard to the company's operations in Utah, Arizona, and New Mexico as well.

The Nation is now in the throes of a full-blown recession; the claims load of unemployment insurance is at an all-time high. These are conditions of fairly recent origin in contrast to the doleful state of mining which has been going on for several years under an administration policy that substitutes indifference for interest and apathy for action.

I have received a petition signed by 147 residents of White Pine County, Nev., representing men and women whose very existence depends upon a healthy mining industry. On behalf of my colleague, the senior Senator from Nevada [Mr. MALONE], and myself, I ask unanimous consent that this petition be printed in the RECORD, and appropriately referred.

There being no objection, the petition was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

### PETITION TO NEVADA SENATORS AND CONGRESSMEN

The undersigned residents and voters of Nevada call upon our representatives in Congress to do everything possible to prevent impending disaster to a vital and basic American industry—the nonferrous metals industry—and to the thousands of workingmen, their families and hundreds of communities whose economy is dependent upon the health of this industry. We urge your active support and endorsement of the following proposals:

1. An embargo against all nonferrous metals shipments into United States from any country where the wages and living standards of employees engaged in the mining and processing of such metals are less than 50 percent of the average wages and living standards of American workers employed in this industry. Such embargo to remain in effect during any period or periods when sufficient and ample supplies of any nonferrous metal is available from American and Canadian production.

2. Adoption of the necessary tariffs on the importation of nonferrous metals to assure an adequate price level and protect the jobs and living standards of American employees engaged in the processing of such metals.

3. When imports of any nonferrous metals are required because of a shortage of supply of such metals in United States and Canada such imports shall be made on the basis of quotas which gives priority to those countries having the highest wages and living standards comparable to American employees in the nonferrous metals industry.

4. The United States Government establish under the United States Bureau of Mines sufficient funds to provide assistance to small mine owners for prospecting development and production of nonferrous metals in the United States and an adequate fund for research into new and expanded use for the production of American nonferrous metals.

5. The United States Government require American mining corporations who operate foreign mining properties, to establish in a public hearing conducted by our Government, the necessity and justification of, and prior to, any proposed curtailment of production or manpower in its United States operations without similar and equal curtailment in its foreign operations.

#### RESOLUTION OF ALL-UNIVERSITY CONGRESS, UNIVERSITY OF MINNESOTA

Mr. HUMPHREY. Mr. President, I recently received a resolution unanimously adopted by the All-University Congress, University of Minnesota. As the sponsor of Senate bill 868, I was particularly pleased to see action by the University of Minnesota on behalf of a tax relief for legitimate costs of higher education.

My bill, S. 868, would provide a 30-percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education.

I ask unanimous consent that Senate bill 868, as well as the resolution adopted by the All-University Congress, be printed in the RECORD, and that the resolution be appropriately referred.

The VICE PRESIDENT. The resolution will be received and appropriately referred; and, without objection, the resolution and Senate bill 868 will be printed in the RECORD.

The resolution was referred to the Committee on Finance, as follows:

##### STUDENT TAX RELIEF RESOLUTION

The All-University Congress, representing the students of the University of Minnesota, expresses its support of the proposal to amend the Internal Revenue Code so as to allow students and parents of students to deduct legitimate costs of higher education from their taxable income. We feel that this proposal is of considerable importance to students at our university, and to students at colleges and universities throughout the country.

At the present time, the United States is faced with a critical expanding need for scientific and intellectual leadership in all fields. At the same time that this need is especially critical, students are faced with rapidly increasing costs of education, which has the effect of increasing the financial barrier which already prevents many qualified students from pursuing their education beyond the high school. It is imperative that steps be taken to lessen the degree to which our Nation is being prevented from fully utilizing its scientific and intellectual potential.

In order to accomplish this, a program of Federal scholarships is of primary importance. However, even with an adequate Federal scholarship program, the number of students who would receive benefit would necessarily be limited, and many students who should attend college would still not be able to do so.

The enactment of an amendment to the Internal Revenue Code allowing deductions for legitimate costs of education would pro-

vide substantial assistance to all students who are attending or who desire to attend college. Its effect would be to decrease, by a small but significant amount, the cost of higher education, thus making it possible for some students to pursue their education beyond the point where they must now halt their educational progress. It would also make it possible for many students now in college who are working part or full time, to devote more of their energy to their educational pursuits.

The All-University Congress is aware that at least one bill (H. R. 9414, introduced by Mr. SCHWENGLER) is before Congress. We request the Senators and Congressmen from the State of Minnesota to carry out appropriate action to see that this bill, and other bills incorporating this proposal, are activated and acted upon in the Ways and Means Committee of the House and the Finance Committee of the Senate. We urge the Senators and Congressmen of the State of Minnesota to give their support to this proposal.

Finally, the All-University Congress urges the students of the University of Minnesota to express their personal support of this proposal by writing to their Representatives and Senators about it.

##### Senate bill 868 is as follows:

*Be it enacted, etc.,* That this act may be cited as the "Educational Tax Credit Act of 1957."

SEC. 2. (a) Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is hereby amended by adding at the end thereof the following new section:

"Sec. 39. Tuition and fees paid by individuals to institutions of higher education.

"(a) General rule: There shall be allowed to an individual, a credit against the tax imposed by this subtitle for the taxable year, an amount equal to 30 percent of the aggregate amount paid during the taxable year by such individual to institutions of higher education as tuition or fees for the education of such individual or of any other individual at a level above the 12th grade.

"(b) Limitations:

"(1) Individual receiving education must be full-time student: Amounts paid for the education of any individual which (but for this paragraph) would be taken into account under subsection (a) shall be taken into account only if such individual is a student (as defined in section 151 (e) (4)) for the calendar year in which the taxable year of the taxpayer begins.

"(2) Adjustment for scholarships and certain allowances: In the case of any individual who for any period receives—

"(A) any scholarship or fellowship grant (within the meaning of section 117 (a) (1)) which, under section 117, is not includible in gross income, or

"(B) any education and training allowance under part IV of title II of the Veterans' Readjustment Assistance Act of 1952,

any amount paid for tuition or fees for such period which (but for this paragraph) would be taken into account under subsection (a) shall be taken into account only to the extent that the aggregate of such tuition and fees charged such individual for such period exceeds the sum of (1) an amount equal to all the scholarships and fellowship grants described in subparagraph (A) received by such individual for such period, plus (2) an amount equal to 30 percent of all the allowances described in subparagraph (B) received by such individual for such period.

"(3) Maximum yearly credit with respect to education of any individual not to exceed \$450: In the case of any taxpayer, the credit allowed by this section for any taxable year,

with respect to the education of any individual, shall not exceed \$450.

"(4) Credit not to cause refund of tax: The credit allowed by this section shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under sections 33 (relating to foreign tax credit), 34 (relating to credit for dividends received by individuals), 35 (relating to partially tax-exempt interest), and 37 (relating to retirement income).

"(c) Institution of higher education defined: For purposes of this section, the term 'institution of higher education' means only an educational institution—

"(1) which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on;

"(2) which regularly offers education at a level above the 12th grade; and

"(3) contributions to or for the use of which are deductible under section 170."

(b) The table of sections for such part IV is hereby amended by adding at the end thereof the following:

"Sec. 39. Tuition and fees paid by individuals to institutions of higher education."

SEC. 3. The amendments made by this act shall apply only with respect to taxable years beginning after December 31, 1957.

#### RECESSION IN NONFERROUS METALS INDUSTRY—PETITION

Mr. BENNETT. Mr. President, the International Union of Mine, Mill, and Smelter Workers has recently held mass meetings in Utah and Nevada as a result of the depressed conditions prevailing in the nonferrous metals industry. I have received a petition signed by 353 Utah participants at the meetings setting forth a 5-point program which they feel would materially aid their industry, and at their request I ask unanimous consent that the petition be printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

##### PETITION TO UTAH SENATORS AND CONGRESSMEN

The undersigned residents and voters of Utah call upon our representatives in Congress to do everything possible to prevent impending disaster to a vital and basic American industry—the nonferrous metals industry—and to the thousands of workingmen, their families and hundreds of communities whose economy is dependent upon the health of this industry. We urge your active support and endorsement of the following proposals:

1. An embargo against all nonferrous metals shipments into United States from any country where the wages and living standards of employees engaged in the mining and processing of such metals are less than 50 percent of the average wages and living standards of American workers employed in this industry. Such embargo to remain in effect during any period or periods when sufficient and ample supplies of any nonferrous metal is available from American and Canadian production.

2. Adoption of the necessary tariffs on the importation of nonferrous metals to assure an adequate price level and protect the jobs and living standards of American employees engaged in the processing of such metals.

3. When imports of any nonferrous metals are required because of the shortage of supply of such metals in United States and



Canada such imports shall be made on the basis of quotas which gives priority to those countries having the highest wages and living standards comparable to American employees in the nonferrous metals industry.

4. The United States Government establish under the United States Bureau of Mines sufficient funds to provide assistance to small mine owners for prospecting development and production of nonferrous metals in the United States and an adequate fund for research into new and expanded use for the production of American nonferrous metals.

5. The United States Government require American mining corporations who operate foreign mining properties, to establish in a public hearing conducted by our Government, the necessity and justification of, and prior to, any proposed curtailment of production or manpower in its United States operations without similar and equal curtailment in its foreign operations.

### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H. J. Res. 451. Joint resolution authorizing the One Hundred and First Airborne Division Association to erect a memorial in the District of Columbia;

S. Con. Res. 80. Concurrent resolution accepting the statue of Charles Marion Russell, presented by the State of Montana, to be placed in Statuary Hall (Rept. No. 1466);

S. Con. Res. 81. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Charles Marion Russell, and to hold ceremonies on said occasion (Rept. No. 1467);

S. Con. Res. 82. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Charles Marion Russell, late of Montana; and

S. Res. 292. Resolution authorizing the printing as a Senate document of a staff study of the Committee on Government Operations entitled "Science and Technology Act of 1958" (S. 3126).

By Mr. HENNINGS, from the Committee on Rules and Administration, with an amendment:

S. Res. 285. Resolution to print for the use of the Committee on the Judiciary additional copies of Senate Report No. 1387 entitled "Administered Prices—Steel."

By Mr. HENNINGS, from the Committee on Rules and Administration, with an additional amendment:

S. Res. 287. Resolution authorizing a study of the textile industry of the United States (Rept. No. 1468).

By Mr. HILL, from the Committee on Labor and Public Welfare, with amendments:

H. R. 6908. An act to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, to restore eligibility for hospital and medical care to certain veterans of the Armed Forces of the United States residing in the Philippines, and for other purposes (Rept. No. 1469).

### PRINTING AS A SENATE DOCUMENT REVISED EDITION OF SENATE DOCUMENT 116, OF 84TH CONGRESS

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 296) authorizing the printing of a revised edition of the Election Law

Guidebook, which was placed on the calendar, as follows:

*Resolved*, That a revised edition of Senate Document No. 116 of the 84th Congress, entitled "Election Law Guidebook," be printed as a Senate document.

### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOLDWATER:

S. 3671. A bill for the relief of Morris Ribyat, to the Committee on Finance.

By Mr. COTTON (for himself and Mr. BRIDGES):

S. 3672. A bill for the relief of the Newington School District, New Hampshire; to the Committee on the Judiciary.

By Mr. GREEN:

S. 3673. A bill for the relief of Turitiya (Dorothea) Kozmadis; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 3674. A bill for the relief of Solomon S. Levadi; to the Committee on Armed Services.

By Mr. SALTONSTALL:

S. 3675. A bill for the relief of the Massachusetts College of Pharmacy; to the Committee on the Judiciary.

By Mr. SALTONSTALL (by request):

S. 3676. A bill for the relief of Maria Michela Leo Di Giola; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. SCHOEPFEL):

S. 3677. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. GORE:

S. 3678. A bill for the relief of Lucian Roach, doing business as the Riverside Lumber Co.; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 3679. A bill to permit articles imported from foreign countries for the purpose of exhibition at the World Science-Pan Pacific Exposition to be held in Seattle, Wash., in 1961, to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

S. 3680. A bill to provide for participation of the United States in the World Science-Pan Pacific Exposition to be held at Seattle, Wash., in 1961, and for other purposes; to the Committee on Foreign Relations.

By Mr. CAPEHART:

S. 3681. A bill for the relief of Dr. Choh-Yi Ang; to the Committee on the Judiciary.

By Mr. HAYDEN:

S. 3682. A bill to authorize the sale or exchange of certain lands of the United States situated in Pima County, Ariz., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOUGLAS (for himself, Mr. PAYNE, Mr. SPARKMAN, Mr. BEALL, Mr. MONRONEY, Mr. CASE of New Jersey, Mr. CLARK, Mr. IVES, Mr. PROXMIER, Mr. POTTER, Mr. MURRAY, Mr. CHAVEZ, Mr. ALLOTT, Mr. GREEN, Mr. COOPER, Mr. ANDERSON, Mr. JAVITS, Mr. KEFAUVER, Mr. HOBLITZELL, Mr. HENNINGS, Mr. JACKSON, Mr. KENNEDY, Mr. MANSFIELD, Mr. SYMINGTON, Mr. McNAMARA, Mr. NEUBERGER, Mr. CARROLL, Mr. CHURCH, and Mr. MORSE):

S. 3683. A bill to establish an effective program to alleviate conditions of substantial

and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

### RESOLUTIONS

Mr. JOHNSON of Texas (for himself and other Senators) submitted a resolution (S. Res. 294) extending the greetings of the Senate to the State of Israel on its 10th anniversary, which was considered and agreed to.

(See the above resolution, printed in full, when submitted by Mr. JOHNSON of Texas, which appears under a separate heading.)

### INCREASED EXPENDITURES BY SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

Mr. McCLELLAN submitted the following resolution (S. Res. 295), which was referred to the Committee on Rules and Administration:

*Resolved*, That the amount authorized in Senate Resolution 74, agreed to January 30, 1957; Senate Resolution 186, agreed to August 26, 1957; and Senate Resolution 222, agreed to January 29, 1958, 85th Congress (authorizing and directing the committee to conduct an investigation and study of the extent to which criminal or other improper practices or activities are, or have been, engaged in in the field of labor-management relations or in groups or organizations of employees or employers to the detriment of the interests of public, employers or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities), is hereby increased by the additional amount of \$16,000.

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 296) authorizing the printing of a revised edition of the Election Law Guidebook, which was placed on the calendar, as follows:

*Resolved*, That a revised edition of Senate Document No. 116 of the 84th Congress, entitled "Election Law Guidebook," be printed as a Senate document.

### EXTENSION OF PERIOD DURING WHICH PAYMENTS IN LIEU OF TAXES MAY BE MADE IN CERTAIN CASES

Mr. SALTONSTALL. Mr. President, on behalf of myself, and the Senator from Kansas [Mr. SCHOEPFEL], I introduce, for appropriate reference, a bill to extend Public Law 388 of the 84th Congress, which by its terms expires December 31, 1958. The bill is very brief and I ask unanimous consent that it be printed in the Record immediately following my remarks together with Public Law 388 of the 84th Congress which is also brief. Public Law 388 was an act to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to

certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments. It was contemplated at the time of enactment of Public Law 388, which was approved by the President on August 12, 1955, that before its expiration at the end of this year, Congress would enact a more comprehensive system of payments in lieu of taxes. Almost 3 years have passed since then and much diligent effort has been invested in the task of trying to produce such a comprehensive system. However, this effort has not as yet borne fruit.

Furthermore the difficult question of what sort of comprehensive system for payments in lieu of taxes should be adopted to strike an equitable balance between the budgetary burdens of the Federal Government and those of the communities in which are located properties owned by the various agencies of the Federal Government has been complicated by three decisions handed down by the Supreme Court on March 3, 1958.

My purpose in introducing this bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments is to carry out the policy adopted by Congress in 1955 that the communities in which the property in question is located should not be burdened by loss of tax revenues on such property pending the adoption by Congress of a comprehensive system of payments in lieu of taxes.

Congress declared this intention in Public Law 388 as follows:

The Congress recognizes that the transfer of real property having a taxable status from the Reconstruction Finance Corporation or any of its subsidiaries to another Government department has often operated to remove such property from the tax rolls of States and local taxing authorities, thereby creating an undue and unexpected burden upon such States and local taxing authorities, and causing disruption of their operations. It is the purpose of this title to furnish temporary measures of relief for such States and local taxing authorities by providing that payments in lieu of taxes shall be made with respect to real property so transferred on or after January 1, 1946.

In 1955, when Public Law 388 was adopted by the 84th Congress, it was recognized, as reported by the House and Senate Committees on Government Operations, House Report No. 1453 and Senate Report No. 1253, that—

1. . . . (there is) . . . need for payments in lieu of taxes to alleviate the hardship to the communities in which are located the commercial or industrial type of facilities formerly owned by the Reconstruction Finance Corporation.

2. The enactment of Public Law 388 will alleviate these hardship situations. It will also provide actual experience which should be of great value in subsequently evolving a more comprehensive policy for payments in lieu of taxes by the Federal Government.

3. The executive agencies have equivocated in their position on this type of legislation.

The present positions of executive agencies with respect to extension of Public Law 388 have not been stated. However, with the possible exception of

these positions, which are not known, the facts which led Congress to enact Public Law 388 have not changed. If anything, it can be said that these facts support even more firmly an extension of Public Law 388 today than they did its original enactment in 1955. Costs of municipal government have increased substantially in the past 3 years and the municipalities which would suffer from the expiration of Public Law 388 would be injured even more today by loss of the payments in lieu of taxes provided by this law than they would have been in 1955. Furthermore, in my judgment, the need for a comprehensive system of payments in lieu of taxes has increased together with the increasing burden which untaxed Federal property represents for municipalities throughout the country where such property is located.

In Massachusetts alone there are four defense plants to which the Department of Defense paid \$263,812 in 1957 under Public Law 388. The individual plant payments represent very substantial sums to the communities in which these plants are located. It would not be equitable for these communities and the seventy-odd other cities and towns throughout the country which have been receiving payments in lieu of taxes under Public Law 388 to be penalized by a cessation of these payments simply because the Federal Government has not been able to evolve a comprehensive system for making such payments.

The bill which I am introducing would extend for 2 more years the payments provided under Public Law 388. In these 2 years it can be hoped that Congress and the Executive will, in the light of the Supreme Court decisions to which I referred earlier, evolve such a comprehensive system.

For those of my colleagues who are interested in the detailed legal considerations involved in the broad question of payments in lieu of taxes, I should like to add the following brief comments by way of explanation of my judgment that the development of a comprehensive Federal policy for payments in lieu of taxes has been complicated by these court decisions. It has been a long-standing rule of decision in interpreting the Constitution that taxes may not be charged to the United States on account of real or personal property owned by it or any Federal agency. Furthermore, the constitutions and statutes of many of the States forbid the imposition of such taxes.

The immunity from State and local taxation under the Federal Constitution of property owned or held by the United States stems from *McCulloch v. Maryland* (4 Wheat. 316 (1819)), and *Van Brocklin v. Anderson* (117 U. S. 151 (1885)). It had generally been thought that property owned by the United States but held under lease, use or possession of another was similarly immune. However, this relief has been disturbed by the Supreme Court's decisions in *United States v. Detroit*, and *United States v. Muskegon* (U. S. Supreme Court, March 3, 1958 (Nos. 26, 37, 38)) and *Detroit v. The Murray Corporation* (U. S. Supreme Court, March 3, 1958 (Nos. 18, 36)). The first two cases held that a State is not barred

from levying a tax on the lessee or user of an industrial plant owned by the United States, even though such tax is measured by the value of the property. The third case upheld the power of a State to impose a tax on a subcontractor in possession of personal property, even though under the prime contract between two other private companies and the United States, title to all parts, materials and work in process acquired by the subcontractor was vested in the United States. The effect of these decisions may be indirectly to subject the Federal Government to State and local tax liability under their existing tax laws. The decisions may also lead to the enactment by States and municipalities of tax laws of the character enforced against the Federal Government in these decisions. Both of these possibilities in my judgment serve to complicate the task of the Federal Government in evolving a comprehensive system of payments in lieu of taxes.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and Public Law 388, of the 84th Congress, will be printed in the RECORD.

The bill (S. 3677) to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments, introduced by Mr. SALTONSTALL (for himself and Mr. SCHOEPEL), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 703 of the Federal Property and Administrative Services Act of 1949 (69 Stat. 722) is amended by striking out the figures "1959", and inserting in lieu thereof the figures "1961."

(b) Section 704 of such act (69 Stat. 723) is amended by striking out the figures "1958", and inserting in lieu thereof the figures "1960."

Public Law 388, 84th Congress, is as follows:

H. R. 6182

An act to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments

Be it enacted, etc., That the table of contents contained in the first section of the Federal Property and Administrative Services Act of 1949 is hereby amended by inserting immediately below "Sec. 605. Effective date", the following:

"TITLE VII—PROPERTY TRANSFERRED FROM THE RECONSTRUCTION FINANCE CORPORATION

"Sec. 701. Declaration of policy.

"Sec. 702. Definitions.

"Sec. 703. Property transferred by the Reconstruction Finance Corporation.

"Sec. 704. Limitations.

"Sec. 705. Effective date."

SEC. 2. Section 3 of such act is hereby amended by inserting immediately after "As used in" the following: "titles I through VI of."



Sec. 3. Such act is hereby further amended by adding at the end thereof the following:

**"TITLE VII—PROPERTY TRANSFERRED FROM THE RECONSTRUCTION FINANCE CORPORATION**

**"Declaration of policy**

"Sec. 701. The Congress recognizes that the transfer of real property having a taxable status from the Reconstruction Finance Corporation or any of its subsidiaries to another Government department has often operated to remove such property from the tax rolls of States and local taxing authorities, thereby creating an undue and unexpected burden upon such States and local taxing authorities, and causing disruption of their operations. It is the purpose of this title to furnish temporary measures of relief for such States and local taxing authorities by providing that payments in lieu of taxes shall be made with respect to real property so transferred on or after January 1, 1946.

**"Definitions**

"Sec. 702. As used in this title—

"(a) The term 'State' means each of the several States of the United States and the Territories of Alaska and Hawaii.

"(b) The term 'real property' means (1) any interest in land, and (2) any improvement made thereon prior to any transfer thereof occurring on or after January 1, 1946, from the Reconstruction Finance Corporation to any other Government department, if for the purpose of taxation such interest or improvement is characterized as real property under the applicable law of the State in which such land is located.

"(c) The term 'local taxing authority' means any county or municipality, and any subdivision of any State, county, or municipality, which is authorized by law to levy and collect taxes upon real property.

"(d) The terms 'real property tax' and 'real property taxes' do not include any special assessment levied upon real property after the date of a transfer of such real property occurring on or after January 1, 1946, from the Reconstruction Finance Corporation to any other Government department.

"(e) The term 'Government department' means any department, agency, or instrumentality of the United States, except the Reconstruction Finance Corporation.

"(f) The term 'transfer' means—

"(1) a transfer of custody and control of, or accountability for the care and handling of, any real property, or

"(2) a transfer of legal title to any real property.

"(g) The term 'Reconstruction Finance Corporation' includes all subsidiaries of the Reconstruction Finance Corporation.

**"Property transferred by the Reconstruction Finance Corporation**

"Sec. 703. Where real property has been transferred on or after January 1, 1946, from the Reconstruction Finance Corporation to any Government department, and the title to such real property has been held by the United States continuously since such transfer, then on each date occurring on or after January 1, 1955, and prior to January 1, 1959, on which real property taxes levied by any State or local taxing authority with respect to any period become due, the Government department which has custody and control of such real property shall pay to the appropriate State and local taxing authorities an amount equal to the amount of the real property tax which would be payable to each such State or local taxing authority on such date if legal title to such real property had been held by a private citizen on such date and during all periods to which such date relates.

**"Limitations**

"Sec. 704. (a) The failure of any Government department to make, or to make timely

payment of, any payment authorized by section 703 shall not subject—

"(1) any Government department, or any person who is a subsequent purchaser of any real property from any Government department, to the payment of any penalty or penalty interest, or to any payment in lieu of any penalty or penalty interest; or

"(2) any real estate or other property or property right to any lien, attachment, foreclosure, garnishment, or other legal proceeding.

"(b) No payment shall be made under section 703 with respect to any real property of any of the following categories:

"(1) Real property taxable by any State or local taxing authority under any provision of law, or with respect to which any payment in lieu of taxes is payable under any other provision of law.

"(2) Real property used or held primarily for any purpose for which real property owned by any private citizen would be exempt from real property tax under the constitution or laws of the State in which the property is situated.

"(3) Real property used or held primarily for the rendition of service to or on behalf of the local public, including (but not limited to) the following categories of real property: courthouses; post offices and other property used for purposes incidental to postal operations; and federally owned airports maintained and operated by the Civil Aeronautics Administration.

"(4) Office buildings and facilities which are an integral part of, or are used for purposes incidental to the use made of, any properties described in paragraph (1), (2), or (3) of this subsection.

"(c) Nothing contained in this title shall establish any liability of any Government department for the payment of any payment in lieu of taxes with respect to any real property for any period before January 1, 1955, or after December 31, 1958.

**"Effective date**

"Sec. 705. This title shall take effect as of January 1, 1955."

Approved August 12, 1955.

**REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS—AMENDMENTS**

Mr. GOLDWATER submitted amendments, intended to be proposed by him, to the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans, which were ordered to lie on the table, and to be printed.

Mr. CURTIS submitted amendments, intended to be proposed by him, to Senate bill 2888, supra, which were ordered to lie on the table, and to be printed.

**AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENT**

Mr. PAYNE submitted an amendment, intended to be proposed by him, to the bill (S. 3318) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which was referred to the Committee on Foreign Relations, and ordered to be printed.

**IMPROVEMENT OF SMALL BUSINESS—ADDITIONAL COSPONSOR OF BILLS**

Mr. LANGER. Mr. President, I ask unanimous consent that my name be

listed as a cosponsor of Senate bills 3194, 3651, and 3643, all dealing with the improvement of small business in this country.

The VICE PRESIDENT. Without objection, it is so ordered.

**REORGANIZATION OF DEPARTMENT OF DEFENSE—ADDITIONAL COSPONSOR OF BILL**

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent that my name be listed as a cosponsor of Senate bill 3649, which was introduced by the senior Senator from Massachusetts on Monday to implement President Eisenhower's plan for the reorganization of the Defense Department.

The VICE PRESIDENT. Without objection, it is so ordered.

**REDUCTION OF EXCISE TAX ON AUTOMOBILES**

Mr. DOUGLAS. Mr. President, yesterday, at a meeting of the Democratic Women of the United States, I proposed as a part of my remarks that the excise tax on automobiles be reduced by an even greater amount than that which I proposed in February and in March. Yesterday I advocated a total reduction of at least 7½ percent in the present 10-percent tax, but said that the extra reduction of 2½ percent above the 5 percent which I had previously proposed be conditioned on a decrease by approximately 6 percent in the net price for their cars which automobile manufacturers would charge to distributors.

If such an excise and price-reduction proposal were carried into effect, it would mean, first, that the price of a car which was sold by a manufacturer to a distributor for \$1,600 would be reduced by the 7½-percent tax cut, or by \$120, and, in addition, there would be a further reduction of \$100 in the manufacturer's net price, making a total reduction of approximately \$220 on a popular-priced car. This would be a cut of 13½ percent. Such a reduction in price should increase the number of cars demanded very effectively and, hence, increase the volume of employment.

As a part of this arrangement, it seems to me, the United Automobile Workers, following out suggestions which Mr. Reuther made earlier in the year, might well be willing to consider some of the demands which they might make in the new contract which is now up for negotiation, so that the joint cooperation of the Government, the automobile manufacturers, and the union might result in a reduction in the prices of automobiles and, hence, in an increase in demand and a reduction in unemployment.

I find that a similar suggestion was made on last Friday by the well-known and justly respected Washington correspondent, Mr. Richard L. Strout, in the Christian Science Monitor of April 18, 1958, and I ask unanimous consent that his article, which advocates such a program, be included in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**AUTO PLAN PROPOSED TO FIGHT SLUMP—  
JOINT ACTION FOR PRICE CUT**

(By Richard L. Strout)

WASHINGTON.—There is increasing tendency on the part of many students of the national economy to look upon the automobile industry as a key to the United States present economic difficulties.

The automobile industry is the largest in the country and many feel it is a center from which the present recession radiates.

With consumer demand too low, dealers stocks too high, and 1 worker in 6 in Detroit jobless, the automobile industry faces an admittedly dismal prospect and now is operating at less than 60 percent of capacity. This tends to depress related steel, rubber, plate glass, copper and aluminum, and affiliated concentric circles of American industry.

Is there anything that industrial statesmanship could do to reverse the dangerous automobile slump and thereby combat the 1958 recession?

Mr. Eisenhower has repeatedly said that this is the time for management and unions to exercise statesmanship.

Walter P. Reuther, head of the United Auto Workers, and Louis G. Seaton, vice president of General Motors, are now negotiating a new 3-year contract to replace the one that expires May 29.

**THREE-WAY PLAN**

With other amateur economists volunteering remedies all over the lot, this reporter wishes to record his own views as based on many months of observation here in Washington. He raises the question whether the following might not be of help.

A three-way plan, involving proposed concessions by the Government, by management, and by organized labor.

Its object would be to maintain public confidence and to stimulate the buying which Mr. Eisenhower at his April 9 press conference declared essential for recovery.

The proposal would make use of three circumstances:

**Government:** On June 30 the present 10-percent Federal excise tax on autos reverts to its pre-Korean 7 percent unless continued by Congress.

**Automobile management:** More than 2 months' cars now are unsold in dealers' hands with the grim choice between even harsher production cutbacks or price cuts (direct or indirect).

**UAW:** Mr. Reuther is already on record as saying that his union would modify wage demands in present contract discussions if management would cut prices: he proposed a cut of \$100 a car.

**CRITICAL TIME**

It is suggested that out of this threefold situation there are the ingredients for a bold strike for business recovery at a critical time.

It is a situation in which each of the three parties could make great ultimate benefits by first offering initially smaller concessions.

In brief, here is how the save Detroit program could be applied:

The United States Government, taking the initiative, would offer to allow the present 10 percent excise tax on cars to return to 7 percent for 6 months, in exchange for equivalent concessions by management and labor.

Management, under the plan, would be required (1) to pass on the full 3 percent tax cut to the public, and (2) make a contributing 3 percent cut on factory prices, so that the public would get a combined 6 percent price reduction as an inducement to buy.

The UAW, on its part, would be required to make good Mr. Reuther's pledge of wage concessions. Among other things, he would drop new fringe benefit demands and limit

his present negotiations to a continuation of the present contract with its built-in annual wage increase of 6 cents an hour (which General Motors has already offered).

**ATTRACTIVE PRICES**

There is room for bargaining within the outline of these concessions—the one objective of which would be to start the public buying cars again with the bait of bargain prices.

It should be noted that Canada has already cut its excise tax on cars from 10 percent to 7½ percent as an antirecession measure.

A package tax and price cut of 6 percent would be greater than Mr. Reuther's proposal of \$100 a car. For an average \$2,500 automobile it would be \$150.

Since the proposed offer would last only 6 months there would be an immediate incentive for the public to buy while the bargain lasted.

Economists believe that once buying starts the effect will snowball into other industries. They warn that the great danger is that the slump will begin to feed on itself.

Statistics of bank and similar accounts indicate the consumer has plenty of money; he is not buying largely because of recession jitters.

Would the proposal cost the Treasury money? Yes.

**COST TO TREASURY**

For the present fiscal year ending June 30 the Treasury estimates the 10 percent tax will yield about \$1.5 billion (\$1.29 billion on passenger cars; \$234 million on trucks, buses, and trailers).

Cutting the tax to 6 percent would theoretically cost the Treasury around \$457 million.

But at the rate at which car sales are falling off now next year's revenue will be much reduced anyway, while if the "save Detroit" plan were successful the Treasury would save vastly more than the cut from reviving prosperity.

Manufacturers will object, with some reason, that car prices are their own business. Yet even within the industry there are voices which declare last year's boost in prices of new models was a mistake.

The Bureau of Labor Statistics estimates that dealers were charging for the lowest priced Chevrolets, Fords, and Plymouths 4.2 percent more in November 1957, than after the last model change in November 1956. This works out to a price increase average of about \$100.

Higher car prices plus an apparent change in public taste helped precipitate the present dismal market.

The benefits to organized workers of restored full-time work and reopened factories hardly needs stressing. Failure to make the equivalent sacrifice to that of management would present the UAW to the Nation in an intolerable light.

Finally, nobody could initiate such a plan save the Government and nobody could adequately mobilize public pressure behind it save the President.

**DR. BURNS URGES TAX CUT**

Mr. DOUGLAS. Mr. President, on March 22, a month ago, Dr. Arthur F. Burns, formerly President Eisenhower's chief economic consultant, called for a speedy tax cut. He called for a broadly based permanent \$5 billion cut.

At that time—a month ago—he stated that "my only hope is that we will not take too long in seeking the perfection which we shall not find," and stated that if "we delay more than a very few weeks, in the hope that economic recovery will come on its own by mid-

year, we shall be taking the risk of having to resort later to drastic medicine."

Mr. President, while I do not agree with the detailed provisions of the tax cut which Dr. Burns advocated, I do agree with him that, first, we need a tax cut; second, that it cannot be delayed much longer unless we are to face the very real danger of having to take very drastic action later; and, third, that a massive public works program—enough to turn the economy upward—would probably take too long to go into effect to be effective.

Mr. President, we are now at the end of April. The objective record provides no factual evidence—as opposed to hopes and wishes—that the economy has bottomed out or has stopped the decline. The time to act is now, and a tax cut is the quickest and most immediate way of acting. If we fail, we may later need a tax cut in the magnitude of \$10 billion to stop the recession and turn it around.

I may say, in connection with this statement, that last week I put into the RECORD a letter which was published in the New York Times, advocating a tax cut, which was signed by Arthur R. Burns. I was under the impression that the Arthur R. Burns was the former economic consultant to the President. I now find there are two Arthur Burns on the faculty of Columbia University, and that Mr. Arthur R. Burns, and not Mr. Arthur F. Burns, was the one who signed the letter. Therefore, my statement of last week that Mr. Arthur F. Burns was one of the signers of the letter should be corrected and withdrawn.

I now ask unanimous consent that an article from the New York Times of Sunday, March 23, entitled "Wide Tax Cut Now Is Urged by Burns," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**WIDE TAX CUT NOW IS URGED BY BURNS—FORMER CHIEF OF PRESIDENT'S ECONOMIC ADVISERS CALLS FOR \$5-BILLION SLASH**

(By Austin C. Wehrwein)

CHICAGO, March 22.—Dr. Arthur F. Burns said today that the end of the recession was not yet in sight and called for an immediate, broadly based, permanent \$5 billion tax cut.

Dr. Burns also urged improvement in the unemployment insurance system, more flexibility in the highway construction program and the enactment by law of a national anti-inflation policy.

Dr. Burns is professor of economics at Columbia University and president of the National Bureau of Economic Research, Inc. From 1953 to 1955 he was Chairman of the President's Council of Economic Advisers. He spoke at the annual University of Chicago management conference in the Conrad Hilton Hotel.

Dr. Burns told an audience of 1,000 Chicago businessmen and economists that "my only hope is that we will not take too long in seeking the perfection which we shall not find."

**URGES PROMPT ACTION**

Prompt action, he said, would create an excellent prospect of reversing the economic tide. He continued:

"If, on the other hand, we delay more than a very few weeks, in the hope that economic recovery will come on its own by midyear, we shall be taking the risk of having to resort later to drastic medicine."



Before his talk, Dr. Burns told a reporter he wanted to stress the need for action now that would not only combat the recession but also avoid inflationary effects later.

In his speech Dr. Burns laid great stress on a proposed amendment to the 1946 Employment Act, which laid down as a national policy that the Government has an obligation to nurture maximum employment and production.

"It would, therefore, be wise," he asserted, "to accompany any early tax reduction by a national declaration of purpose with regard to the general level of prices that could have a moral force such as the Employment Act already exercises with regard to our levels of production and employment."

#### INFLATION FEAR A FACTOR

The fear that governmental economic stimulus might cause inflation is a frequent theme among business leaders.

Asked whether he had discussed his points with anyone in the administration, Dr. Burns said he preferred not to answer lest he "cause embarrassment."

Vice President RICHARD M. NIXON told a press conference here Thursday: "I think, as far as the tax cut is concerned, it is not timely to make it now."

Dr. Burns said that, although the recession was in its eighth month, business and consumer confidence had not yet been seriously impaired and that was precisely the "element of strength" to preserve.

He also warned that should the recession deepen it would provide propaganda for the Soviet Union.

He ruled out as "unrealistic" any "significant economic effects in the immediate future" from even a massive public-works program because it would take too long. The effect might be felt, Dr. Burns argued, just when the economy was under inflationary pressure again.

"A tax reduction is clearly a sounder method of dealing with a mild recession," he argued.

#### WOULD INCLUDE BUSINESS

He said it should apply to high as well as low incomes and to businesses as well as individuals so it would stimulate investment as well as consumption and be free of time restrictions limiting it to months or years.

Dr. Burns said that lower tax rates would soon be offset "in considerable part" by increased collections and he also argued that it would put a damper on later increases in Federal spending and thus generate less inflationary pressures in the future than a public-works program of the same size.

#### TAX-CUTTING TIME

Mr. DOUGLAS. Mr. President, I ask unanimous consent that an editorial entitled "Tax-Cutting Time," from the New Republic of April 21, 1958, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### TAX-CUTTING TIME

It is all in the way one reads the figures. Before the March statistics on employment and production were known even Harry Truman was inclined to "wait and see" before supporting a tax cut with its inflationary risks. But after going over the economic indicators with former aides in Washington last week the "retired Missouri farmer" decided that it was time for a \$5 billion tax cut (for low and middle income groups) and a big increase in Government spending right now.

Reporting on the same March returns, a famous Washington newsletter to businessmen writes this week:

"Despite the optimism of the Eisenhower administration and regardless of its feeling

that emergency action is not yet needed, the cold fact is that the betterment expected by officials at this time has not occurred, and there are no signs of it at any time soon.

"There are no signs that bottom has been reached, or that it's imminent \* \* \*. The recession now seems definitely to be adding to itself, like a snowball that gathers layers as it rolls down hill."

Arthur Burns, Mr. Eisenhower's chief economic adviser from 1953 until late 1956, also reads the figures to mean that, "There is no good evidence of the likelihood on an early economic upturn," and he, like Truman, recommends a \$5 billion tax cut now, before business and consumer confidence is seriously impaired.

The present Council of Economic Advisers, too, is now privately recommending that the President call for tax cuts before the recession builds up dangerous momentum.

But President Eisenhower, looking at the same figures, told his April 9 press conference that they showed "a pickup in jobs in March and a levelling off of unemployment \* \* \* a slowing up of the recession." And so, "I see no need for emergency action now," including a tax reduction. "I think there is real grounds to hope that we will, one of these days \* \* \* [be] on the upgrade."

Why does the President cling to his optimism? Certainly it can be no more pleasant for him than for the rest of us to think of the 5.2 million families now suffering from unemployment. (Two million are not covered by unemployment insurance at all; another 1.5 million have exhausted all the benefits the law provides—300,000 did so in March alone.)

In the first place, as a fiscal conservative, Mr. Eisenhower instinctively prefers the daily advice he receives from his trusted, strong-minded advisers, Secretary of the Treasury Anderson and Budget Director Stans. He sincerely believes, with them, that the added spending he has ordered on defense and the new highway and housing programs will improve things significantly. He hopes that, with encouragement, consumers will end their buyer's strike—and is confident that businessmen, on their own, will so alter their prices or products as to make buying more attractive.

The need for such faith and confidence is borne in on the President and Secretary Anderson and Mr. Stans every time they look at what is happening to the national budget. To men who believe that deficit financing is almost sinful per se, the sight is horrifying. Mr. Stans partly described it in an emotional speech to an insurance group at Houston last week: The 1958 deficit is going to be \$1.4 billion—or \$2 billion—not \$400 million as estimated 3 months ago—and will go to five to seven billion dollars in 1959, even without a tax cut. A six to seven billion dollar tax cut on top of this would produce a thirteen to fourteen billion dollar deficit in 1959 instead of the balanced budget Eisenhower estimated last January.

In the Eisenhower-Anderson-Stans view, inflation is far more to be feared, in the long run, than the present recession; and according to their economic theory an annual deficit of thirteen to fourteen billion dollars would be highly inflationary. Short of an astronomical rise in the May or June unemployment index, therefore, the President cannot be expected to agree to a cut in taxes. Stans made it clear at Houston: "Frantic preoccupation with temporary conditions," he insisted, "must not be allowed to stampede us into hasty, ill-considered action [cutting taxes] which will add unnecessarily to our future burdens [deficit budgets and inflation]."

We do not question the sincerity of this view, or the damage that inflation can do. But we are not persuaded that Mr. Stans knows any more about what the effects of deficit financing are likely to be than many

respected economists who disagree with him entirely. Many experts believe that a \$13 billion deficit, spent in fighting recession, would cause no serious inflation. We prefer the risk of inflation they admit we run by cutting taxes to the risk of drifting into a major depression by delaying tax cuts too long.

As for the President's confidence (or is it only hope?) that buyers and/or sellers are about to rush to the economy's rescue from the opposite direction, we join the man who is from Missouri. Consumers with money are holding onto it, waiting for prices to drop. The annual Michigan consumer finance survey indicates shaky buyer confidence. Asked to give their estimate of the general economic situation, 60 percent of those questioned early in 1957 thought times were good; only 33 percent thought so early this year, by far the lowest number of optimists ever recorded by the survey. It may take more than "buy" from the President to change their minds.

Similarly, on the seller's side. A cliché of this recession is that the law of supply and demand has been repealed. Sales go down, or remain the same, but prices go steadily up. It is now so accepted that basic industries "administer" prices to maintain a given level of profit, regardless of the market, that little notice has been given to the announcement of three major steel companies that they will raise prices, perhaps \$8 a ton, by August, although the industry is operating at only 48 percent of capacity. The president of the American Paper and Pulp Association, on February 20, explained in a sentence why it is doubtful that industry can be counted on to act sensibly in its own and the country's interest. "The Nation's paper makers," he says, "will be forced to raise prices if operations continue to lag."

Price inflation, it appears, will continue even if taxes are not cut. It may be more serious if they are. We do not minimize the damage inflation can do. But it is incontestable that inflation in a full-employment economy makes better sense and causes less hardship than inflation in an economy with substantial and increasing unemployment.

The way back to full employment is through increased spending. "Buy," advises the President. The promptest way to make that possible for many more people is to cut taxes of low- and middle-income families.

#### ECCLES CALLS FOR TAX CUT

Mr. DOUGLAS. Mr. President, on April 16, Mr. Marriner S. Eccles, formerly the Chairman of the Federal Reserve Board, testified before the Senate Finance Committee. It was almost exactly 25 years ago when he previously testified before the Finance Committee and at that time he advocated measures which the financial pundits then largely derided but which subsequently formed the basis of our economic policies in the depression years of the 1930's. Seldom has a man been vindicated so quickly.

Mr. Eccles appeared before the Finance Committee again this month. There was a great deal of merit in what he had to say. I was particularly interested in his call for a tax cut as the best method by which we could help to stop the recession. I therefore ask unanimous consent that certain portions of his testimony, primarily those dealing with his general economic views, a tax cut, and the public debt, be printed in the body of the RECORD. Members of the Senate and the public should read with great interest what this distinguished banker and economist had to say.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE TESTIMONY OF HON. MARSHALL S. ELLIS BEFORE THE SENATE FINANCE COMMITTEE ON APRIL 16, 1956

Throughout a continuous period of service with the Government, commencing February 1, 1934, the recurrent and general theme of my economic philosophy has been this: That in time of recession or depression, the Government must spend more than it collects so as to stimulate consumer demand and purchasing power, to increase production and employment. On the other hand, in times of boom conditions, except in cases of war, it must at least balance its cash budget or create a budgetary surplus, depending on the degree of existing inflationary pressures. In this conception, the Government is the compensatory agent for an economy based on principles of free enterprise and private property. It does not compete with private business, but it consciously uses its system of taxation and expenditures, supplemented by monetary and credit policy, with the objective of maintaining maximum production and employment, so far as that is possible within the framework of a stable currency.

We all recognize that a recession has been developing for more than 6 months. It is becoming increasingly severe, with small likelihood of an improvement this year without prompt and appropriate action on the part of the Government. If the recession is permitted to become cumulative, it will be increasingly costly to bring about recovery. We should accept the present price, wage, and debt structure. We cannot liquidate them without a severe depression. The present large private debt can be validated only by a rapid and substantial expansion of the public debt. The longer the recession is allowed to run, the more it will cost the economy as a whole—in idle men, in idle facilities.

The American purchaser is curtailing his purchases because he has never been better supplied with goods of all kinds; he is already heavily in debt and worried about the unemployment picture. There will be little increase in home building because of the overbuilding in the past, the huge mortgage debt now being carried, and the excessive cost of land and construction. Likewise, there is already a large excess capacity of new plant and equipment, and the downturn in capital expenditures in this category is estimated to reach more than \$5 billion for 1958; more in 1959.

It is generally recognized that Government action is necessary to halt the recession and reestablish employment and production. The great debate on the question is whether this can best be accomplished by a large public works program or a substantial tax reduction. Either program will increase the Federal deficit. I strongly favor the tax program over the public works because that action can be taken promptly and the effect would be more immediate. If we delay, we are taking a risk of having to employ more drastic measures. In that case the deficit would be greatly increased because of the loss of revenue through a prolonged recession.

The Government is, and always will be, carrying on or supporting a vast public works program, but such a program does not have sufficient flexibility to be used as the principal stabilizing force in our economy. To try to speed up and enlarge such a program makes for waste and inefficiency. It would, in any case, be too slow to produce the desired results this year. Furthermore, it could create new inflationary pressures a year or two hence. While both a tax reduction and

a public works program will add to the Federal deficit, the tax reduction has the advantage of letting the people spend their own money instead of the Government's doing it for them. It will also assure a quicker and a much wider distribution of the funds. In the one case the spending starts quickly from the grass roots, whereas in the other, the money has to slowly trickle down.

Another objection to a rapidly developing public works program is that it would inevitably foster a further enlargement of Government bureaucracy.

It seems difficult, if not impossible, to bring Government expenses down once they have risen, even when the need for the increase no longer exists. Furthermore, I do not think that the recession should be used as a reason for extravagant expenditures which otherwise would not be made. I believe tax reduction would be less likely to increase inflationary pressures in the future because it would exercise restraint on future increases in Government spending.

Any consideration of tax reductions, Government deficits, or the public debt, must be related to a realization that (using our manpower and full productive facilities) this is a \$450 billion economy, measured by our gross national product.

If recovery can be hastened by a tax reduction, and I believe it can, it is reasonable to expect that even lower tax rates will soon be offset by the growth in the national income. Therefore, a balanced budget could be achieved through such recovery, whereas with higher tax rates and a depressed economy, the Government revenue would be diminished and a balanced budget impossible. I believe the Government deficit over the next 2 years, and hence the public debt, will be less if an adequate tax reduction program is promptly adopted than would be the case if the country had to wait for the stimulating effect of increased Government spending.

A tax reduction, in order to accomplish its purpose, should be from \$6 to \$7 billion. The character of the tax reduction should largely benefit the lower income group. I do not feel that I have sufficient information to be able to present a detailed tax reduction program; however, I would recommend that the following excise taxes on what should be considered essentials, be repealed: Communication, transportation, freight and consumer durable goods, together with a tax exemption on the first \$2,000 of the cost of automobiles. I believe that the reduction of these excise taxes would be immediately reflected in prices to the benefit of all.

The corporation tax of 52 percent, I understand, is higher than that of any other country in the world. It should be reduced to no more than 50 percent with a limit of 25 percent on the first \$25,000 in order to help small business. I am sure that prices are influenced by the high corporation taxes. A reduction would encourage business and would be passed on to the consumer in lower prices.

Any other tax reduction, to have the most beneficial effect on the economy, should apply to the first \$2,000 of individual taxable income. I feel very strongly that a 50-percent extension is essential in the number of weeks unemployed workers can draw benefits. This is not only an urgent and necessary human action, but is desirable from an economic standpoint. It would be most effective in helping to sustain consumer buying power and thereby reducing deflationary pressures.

There is a popular feeling that Government deficits and the growth in the public debt are always bad because they are inflationary. Such is not the case. Government deficits and the growth in the public debt are necessary when production and employment are declining, in order to reverse the trend. In a period of inflationary pressure the reverse is true. There must be a growth in the total debt, public or private or both,

in order to sustain a growth of employment and production. A recession is the result of debt contraction.

The public debt is large or small in relationship to the gross national product. I am not concerned about its present size. It has grown very little in the last 10 years. The growth has been approximately 7 percent, whereas the growth in the national product has increased 87 percent.

With the reduction of taxes and the temporary loss of income as a result of the recession, there could be a deficit of \$12 billion to \$15 billion in the next fiscal year which would be about 3 percent of the national product and approximately one-sixth of the total budget. Such an amount would be a cheap price to pay for a quick economic recovery.

We should bear in mind that if the recession is allowed to continue, it could seriously affect our leadership throughout the Western World, greatly impairing our moral and political influence and further building up the prestige of the Communists.

#### FISHERMEN'S FIESTA A CASUALTY OF FEDERAL INACTION

Mr. KUCHEL. Mr. President, on several prior occasions I have pictured the plight of the American tuna fishing industry which for several years has been suffering from still-mounting competition from abroad. The decline of this industry threatens the livelihood of several thousand Americans employed at sea and ashore in the catching, processing, and packing of this important food item.

While imports continue to increase in volume and displace the American product on more and more dining tables, American-owned tuna clippers have been laid up in ever-growing numbers. The impact of this foreign competition is very painful and very real to the men and women who engage in the industry and to their families who have been struggling well before our present recession to keep going at their occupations and to maintain an economic and national defense asset of considerable importance to America's welfare.

An unexpected casualty in the war for survival of the tuna industry has just been reported. It is one which brings much disappointment and regret to large numbers of Americans not directly associated with catching and packing fish. It removes, for this year at least, from the calendar of spectacular events a truly colorful and meaningful celebration which perpetuates long traditions.

The annual fishermen's fiesta at Los Angeles Harbor has been canceled this year because the fleet which operates out of San Pedro and Terminal Island is virtually out of business. The romantic ceremony of invoking God's blessing on the boats and the picturesque parade of gaily decorated clippers this fall will not be a spectacle for hundreds of thousands of spectators. This is a deplorable tragedy. The fiesta had become widely known, and carried deep significance, inasmuch as it was a veritable day of thanksgiving. It marked the close of the tuna fishing season and was an occasion for rejoicing. Apparently, only action by Congress to protect and rejuvenate the tuna industry can provide a climate for revival of this event.



Mr. President, I ask unanimous consent to have printed at this point in my remarks an editorial from the Los Angeles Examiner under date of March 22, 1958, and a newspaper article from the San Pedro News-Pilot of March 22, 1958.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

#### TUNA CRISIS

Bringing sharply to mind the consequences of foreign competition upon some American industries, the picturesque Fisherman's Fiesta at Los Angeles Harbor has been canceled this year.

Importation of cheap Japanese tuna is driving many commercial fishermen out of business. The fleet operating from San Pedro has been reduced one-half in the past 5 years. The remainder estimates its expectancy of life at little more than 6 months.

One remedy lies in legislation now before the House Ways and Means Committee. Introduced by Representative CECIL KING, the Tuna Import Act would adjust tariffs so that local tuna would not be priced out of its home market.

But this protective measure has waited more than 3 months for a hearing. Every day of waiting for action sees boats of what was once the world's greatest tuna fleet tying up permanently.

To lose the Fisherman's Fiesta for lack of a reason to celebrate is of course to be regretted.

But it is far worse and strongly to be opposed, to lose a valuable economic asset to the southland for lack of Congressional dispatch to give an American industry at least an even break with foreign competitors.

Quick and favorable action on this matter is the least our fishermen are entitled to expect.

#### FIESTA CANCELING BLAMED ON IMPORTS

Cancellation of San Pedro's picturesque Fishermen's Fiesta, which each fall attracts nearly a half million spectators, yesterday was attributed to critical conditions in the fishing industry resulting from virtually uncontrolled importation of Japanese tuna.

Mason Case, executive director of the Fishermen's Cooperative Association, who was chairman of last year's waterfront pageant, stated that low tariffs have practically put the fleet out of business. The Fishermen's Co-op represents 95 percent of the boat owners in the harbor's commercial fleet.

Case put the responsibility for a solution to the fishing crisis squarely on the House Ways and Means Committee.

"San Pedro fishermen have been trying for more than 3 months to get a hearing on the Tuna Import Act of 1958 which was introduced by Representative CECIL KING in an effort to correct the completely unrealistic tariff situation which exists today," he said. "The situation has become so serious that the fleet is down 50 percent from 5 years ago and a majority of the balance will be wiped out in 6 months if nothing is done."

"If the fishing industry doesn't get this hearing in the next 2 or 3 weeks, there is little possibility of the bill passing Congress this year, in order to bring relief to our hard-pressed southern California industry."

Case said that the Tuna Import Act would equalize the duty on tuna in brine with tuna in oil and would impose a tariff of about 3 cents a pound on frozen tuna.

Case explained that cancellation of the Fishermen's Fiesta is an unavoidable result of this situation because of the uncertainties facing the industry.

He pointed out the principal feature of the fiesta is the blessing of the boats and fisher-

men followed by a parade of gaily decorated fishing boats through Los Angeles Harbor.

"If there is no fleet to bless and no boats to parade, there's no reason for a fiesta," he said. "Rather than plan ahead for an important event of this kind which might have to be canceled later on, we have decided to postpone the pageant until next year."

The fiesta, which traditionally is held in a full-moon period between the close of tuna season and the start of sardine season, around October 1, was started in 1946. The event has become known throughout the world as a parade of beautiful floats on water rivaling the Tournament of Roses.

For the past few years, Japanese tuna imports have so seriously affected the revenues of the fishermen that there has been frequent previous discussion of abandoning the fiesta.

"After all, it was started as a celebration," Case said, "and southern California fishermen haven't had much to celebrate for a long, long time."

Case added hopefully that through Congressional action the picture could take a turn for the better. He said that in this case it probably would be possible to reestablish the fiesta in 1959.

#### COMMUNISM AT WORK IN CHINA

Mr. SMITH of New Jersey. Mr. President, one of the Nation's foremost authorities on Communist China is the distinguished educator and retired diplomat, former Ambassador to the Netherlands, Stanley K. Hornbeck. As a director of the State Department's Office of Far Eastern Affairs and longtime Chief of the Division of Far Eastern Affairs, he has long been recognized for his special knowledge of this field.

With this background, Mr. Hornbeck deserves a wide audience for his article on Communism at Work in China in the current issue of World Affairs. As he states, there is still a great deal of misunderstanding about what has happened and what is happening today in Communist China, even though it has long since been shown to be a great deal more than agrarian reform.

Mr. Hornbeck's article clearly shows the wisdom and realism of the Eisenhower administration's China policy. Our position is simply one of common-sense, he concludes:

Surely we should not give militant communism aid and comfort. Surely we should refrain from any action implying that we assent to its purposes and efforts to consolidate and extend its gains. Surely we should not accommodate it at the expense of any of our allies. Surely we should make difficulties for it. Surely we must be prepared to counter with effective force if, when, and wherever it resorts to use of force against any free people. And we must make clear to it and to all concerned that we can be relied upon.

Because his informed analysis will contribute to increased understanding of this important subject, I ask unanimous consent that Mr. Hornbeck's article be printed in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### COMMUNISM AT WORK IN CHINA

(By Stanley K. Hornbeck, United States Ambassador, Retired)

Too many people believe and many too many are told that what has happened to

and in China since V-J Day has been and is acceptable to the Chinese people because it is in keeping with their history and their traditions.

As a matter of simple fact, the Chinese are a people who, when communism descended upon them, had no history, no tradition, and no living experience of anything comparable to or resembling the totalitarian system which in and since that year the Communist Party in China and the government which that party created have imposed upon them.

The Communist Party in China had grown from seeds imported from Moscow in 1920. It had attempted in 1927 to seize control of the Nationalist movement. Thwarted in that effort, it thereafter had operated for 20 years as an armed and militant opposition. Finally, after V-J Day, with Soviet moral and physical support, it defeated the National Government in battle after battle, and, in 1949, it set up, in Peking (Peiping), a new government, the Central People's Government of the People's Republic of China.

China was at that moment a land that had been ravaged by warfare during most of more than 20 years. Its economy was in ruins. Its Government was overburdened and weary. Most of its people and most of its foreign residents and their affiliates were ready to welcome anything in the guise or the form of a new deal. And that was what the Communists—blaming for the ills that prevailed, first the Nationalists, second the Japanese, and finally all of the foreign powers except the Soviet Union and its satellites—promised: a new deal, a great new deal, a Utopia.

What then was Communism? Well, whatever may have been the concepts and intentions of the founders, communism had become by 1949 a device for despotism, a system powered by and radiating an ideology, an instrument employed and adapted, in each of many countries, by a few leaders and a small percentage of the local population—for acquisition and exercise of political control. Incidentally, Yalta had contributed to its having become that.

The first conspicuous and unmistakable result of the Communist victory in China was the retreat of the National Government to the island province, Taiwan (Formosa), and the beginning of the new phase in which, although China, the country, remains China, there are in China two governments each exercising authority over a part of the country and each claiming to be the government of the whole.

The government on the mainland, i. e., the Communist regime, has since 1949 made effective its jurisdiction over all parts—except only Outer Mongolia and Formosa—of what had been in the days of the Manchus the Chinese empire; and it has given this domain the first truly totalitarian organization and administration that the peoples within its boundaries ever have known.

In the course of 8 years plus, it has made of its domain a land wherein the central authorities make decisions which, implemented by a huge bureaucracy, directly affect almost every aspect of the life and livelihood of the people—men, women, and children, individually and collectively. With an elaborate system of physical and psychological controls, the party and the government exalt the state, preach communism, tolerate no opposition or dissent, and prepare the nation for what they call a socialist order.

At the outset—while establishing order, the new rulers for some time showed respect for principles and procedures of justice. But once they were well in control they caused all agencies, including the courts, to function as instruments of state policy.

To cause the nation to accept an authoritarian and totalitarian regime, the party and the government set out to impose their own version of the Soviet version of communism.

So they have made war—hot and cold—upon the old culture and its manifestations. In that process, they have done their utmost to extirpate all religions and all creeds—except the creed which they themselves preach. They have persecuted priests and teachers. They have expelled or imprisoned missionaries and foreign businessmen. They have forced the closing of foreign diplomatic and related establishments. They have burned and censored books. They have liquidated millions of their own people. They have enslaved many other millions. And, right and left and up and down, they have confiscated the properties of their victims.

Early and conspicuous was their carrying out of agrarian reform. First, landlords were denounced. Next they were turned over to the populace for trial and execution. Then their lands were divided among the peasants. Next, the peasants were taxed, and they soon found the taxes more of a burden than had been the rentals which they had paid before—whereas from the paying of the taxes there was and is no way of escape. In that context, and in others, the regime has demonstrated strikingly that power to tax can indeed be power to destroy.

While destroying, the new rulers have also created. One of their first constructive achievements was that of establishing a stable currency. Early, too, was their enactment of a new marriage law—which greatly improved the legal status of women but was very damaging, as it was intended to be, to the old social order.

They have emphasized education—Communist education. Schools, faculties, students, textbooks and their authors and their publishers—all—they have brought under government control. They have made Russian a second language. They employ Russians—some—as instructors in many of the universities. They feature, as do the Russians, technical studies.

In place of the old books, they have published and distributed more newly printed matter—officially approved, of course—than had ever before been circulated in China. Toward teaching, informing, and propagandizing all, and for the illiterate in particular, official agencies turn out radio material, place loudspeakers on the streets, and distribute vast quantities of pictorial material—extending those services even to the villages. They have studied—as had their predecessors—various plans and proposals for either simplifying the Chinese language or romanizing it or both; but they have not thus far put into effect any of these.

Of art, Chairman Mao Tse-tung has declared: "There is no such thing as art for art's sake"; all work should serve the interests of the workers, peasants, and soldiers. So—art, in all its forms, is made to conform to official concepts and to serve the purposes of the state. In that framework, authors and artists glorify the laboring man, feature the Communist struggle for peace, and with one accord anathematize the United States.

In all the fields they have endeavored to eliminate western influence, except that of the Soviet Union. They have made the experience, the practices, the theories, and the products of the Soviet Union their patterns and guides. They have emphasized conformity. They have engineered "anti" campaigns and remodeling movements, with processes of mob trial, of self-criticism and of confession. They have used everywhere the procedures of spying, informing, accusing, condemning, and penalizing. They have compelled the people—especially the intellectuals—to abase themselves and to denounce one another. And these things they continue to do.

They staged in 1957 a rectification campaign, directed toward liquidation or suppression of critics of the regime. Mao Tse-tung had in February expressed himself in

terms of a classic: "Let the hundred flowers bloom." The government had later invited criticism. There had ensued a month in which many intellectuals and many student groups indulged fervently in freedom of speech. And then the regime clamped down, in terms of weeding the garden or suppression of rightists. Sad has been the fate, the brainwashing and orthodoxing, of many of the men—and some women—who in this context had expressed themselves in words disagreeable to the regime.

The very latest manifestation of the regime's will to dictate is being afforded in the so-called relocation movement. Announcement was made last November that several hundred thousand students and likewise large numbers of government employees, urban workers, professional men and intellectuals were volunteering to go forth, settle in rural areas, and serve the cause of agriculture. Volunteering was, of course, a euphonious rendering of being sent—just as it had been in relation to the soldiers sent by Peking into Korea in and after 1950.

Thus has communism, authoritarian totalitarianism, dealt with the people in mainland China. A few Communist leaders and some millions of Communist Party members, a people's government, dispose as they see fit of the lives and property of 500,000,000 people, their subjects.

Among their purposes, the Communist leaders have of course had that of making China prosperous and powerful.

In the economic field, on the constructive side, they have proceeded with a program modeled upon that devised and already far advanced in the Soviet Union. The objectives and methods have been: agricultural reorganization and improvement; industrial rehabilitation and expansion; enlargement and improvement of communications; exploitation of mineral resources; and collectivization.

Toward implementing its program the regime launched in 1953 a 5-year plan. That plan is understood to have been prepared by Soviet experts. It called among other things for doubling the gross industrial output. Its techniques have been Soviet in concept and in form. The means for proceeding with it—including financing, equipment and instruction—have come largely from the Soviet Union. Reminders from it are now being carried forward in a second 5-year plan.

In what it has done with the programs thus far, the regime has greatly improved the physical face of the country. It has emphasized the interests of the state rather than the betterment of the lot of its people. Incidentally, yet pertinently, it has employed on projects directed toward agricultural improvement millions of men, women and children recruited in large part from the peasantry, and more millions from the slave labor concentrations. In the realms of industrial expansion, of improvement of communications, and of exploitation of mineral wealth, it has added substantially to the state's capabilities.

The most venturesome of the politico-economic undertakings has been and is that of the agricultural collectivization. This has called for organizing of cooperatives within the Chinese farming pattern and for creation of large mechanized farms in areas where that is practicable. It has been implemented widely and at a fast pace. It gives rise to, and it still leaves open a question: whether the regime can deal successfully with the human factor, can cause several hundred million peasants to cooperate in an undertaking which calls for abandonment of their traditional aspiration to land ownership and of their accustomed manner of tilling each his little plot of ground. To reconcile the peasants to this it will have to be shown them as individuals that they profit by it. Otherwise, each can offer resistance—at least in its passive form.

There has been from the outset some forceful resistance, in some places, to some of the regime's efforts. There is disagreement as to its character and extent. The Communists themselves have reported from time to time on liquidation of subversive armed forces, in terms invariably of not less than tens of thousands. Those reports signify only that there is some overt resistance and that where it occurs it is stamped out. That there can be much—in the absence of leaders, of organization and of weapons—is not likely. Mass suffering and popular resentment do not of themselves produce formidable revolt.

There could develop a conflict within the party. There could come disaffection within the armed forces. There might occur the long-planned assault from Formosa. In the event of any one or more of such conceivable developments there might ensue a widespread popular rebellion. There is, however, no indication that any of these is imminently likely.

Probably greatest among Communist China's internal problems is that of food for its already huge and fast-increasing population. China has more land than is now under cultivation but it also has too many people in and clinging to the most favorable areas, and the trend of population movement recently has been from the land to the cities rather than the reverse. The regime is working on that problem. It is, with engineering, selection of crops, etc., bringing hitherto uncultivated or long-neglected areas into production. It has destroyed many grave sites and cemeteries. The population, though, is increasing at a rate which outruns that of the processes of reclamation. The answer would be: slow down the birth rate and speed up the agriculture. Birth control, though, while much talked about, is not sweeping the country.

In the realm of mineral resources, China is in terms of absolute amounts reasonably well endowed, but in terms of relative amounts and of advantageous juxtapositions is less well off than are several other countries. What she is known to have is enough to support an extensive but not a "super" industrialization.

In the realm of foreign trade, there has been and is in some quarters much wishful thinking about the possibilities of China as a market. If one looks at figures of world trade, historical and actual, one finds that the China market never has amounted to really much. Nor is it likely to in the near future. China has not much to export, and, therefore, not much with which to pay for imports. There may come a time when she will have the wherewithal—but that time is probably a long way off. Currently, what the Communist regime most wants from abroad is strategic goods; what it gives most of in return is raw materials and foodstuffs; and most of what trading it does is with the Soviet Union and other Communist countries.

Communist China's armed forces—ground and air—are the foundation and guarantors of the regime's authority. They add up to a large establishment. Organized on the Soviet model and with Soviet assistance, they draw heavily upon Russian sources for equipment.

Outstanding is the abiding fact that the Communist regime in the Soviet Union has supplied the inspiration, the pattern, the guidance, and much of the equipment and funds that have made possible: first, the existence; second, the victory; and third, the thus far successful post victory functioning of (a) the Communist Party in China and, (b) the regime which now is implementing that party's purposes and plans.

Whether Communist China now is a satellite or is a partner of the Soviet Union is a question of no very great importance. The two are allies. Communist China is in many respects dependent on the Soviet Union; the



Soviet Union has in turn need of and uses for Communist China's assets; and the leaders in the two countries have in common several portentous objectives. For the present, those leaders cause the bear and the dragon to lie down together, lie abroad together, stand together, forage together, and profit together, in a climate of—for them—convenient and advantageous coexistence. They could—some day—quarrel and go apart; but not now.

Together, they are encouraging the Peking Government to essay a role in world affairs utterly unfamiliar in modern times to the Chinese state, that of an affirmative heavy-weight contender. In this, some features of the foreign policy, the strategy, and the tactics of China's Communist leaders are obvious. Among these are: acceptance of Soviet leadership; support of positions taken internationally by the Soviet Government; effort to make secure the newly reestablished Chinese imperial domain; effort to achieve for that domain a great power status, with universal diplomatic recognition of its government and occupation by that government of China's seats in the United Nations; and, in general, effort to enlarge the influence of the Communist bloc.

What plans the Peking authorities may have, if any, for forceful external adventuring they alone know. They are emphasizing preparedness. They are expressing opinions and giving advice abroad—in support of Soviet opinions, advice, or action. They presumably will be guided by their and Moscow's reading of developments and opportunities in the cold war. Meanwhile, they propagate at home and abroad the thought that China is again a great power, that it must liberate Formosa, and that it must and will defy the United States.

However, it seems reasonable to believe that for the present the regime is fully preoccupied with its program and its problems at home.

It is not true that all is well along the Yangtze. It is not true that in mainland China's cities there no longer are flies. It is not true that the people have enough to eat and enough to wear and are happy. Qualified observers note with one accord that the programers and implementers are now encountering grim realities in terms of shortages. One such who, having known the old China, has traveled extensively in the new, remarks nostalgically that in the new—he hears no laughter and he seldom glimpses a smile. Reports currently (in February 1958) being made in Peking by officials of the regime show clearly that there has been and is widespread discontent.

The regime is certainly in no position now to continue the pace at which it thus far has exploited the people and the land in the interests of the party, the Government and the state. Nor are the mood of the people, the capabilities of the land, and the relations between those who govern and those who are governed such as would warrant pursuit by Communist China of a foreign policy involving a risk of war with a power capable of bombing its industrial and military concentrations and blockading its ports. The regime can, however, and does make trouble for and among its neighbors and in the forum of world affairs.

The victory of the Communist Party in China in 1949 and the jurisdictional dichotomy which ensued gave rise to many problems in the relations of other countries with China. All other Communist states and several not-Communist states promptly transferred their diplomatic recognition from the National Government to the newly created Communist Government in Peking. As of today, the United States and with it a majority of other countries still abide by the recognition accorded over the years since 1928 to the National Government.

On several occasions, once very recently (in January 1958), this country's Secretary of State, Mr. Dulles, has declared that it is the policy of the United States in this context: To continue our recognition and support of the National Government; to continue our withholding of diplomatic recognition of the Communist people's government; and to continue our opposing of admission of the latter to the United Nations. (Mr. Dulles also has explained why, has shown that we do not ignore Communist China, and has added to the effect that "no" does not necessarily mean "never.")

That policy takes appropriate account of the record and the attitude of the National Government and it shows respect for our obligation and our commitment to that government. It takes account likewise of the record and the attitude of the Communist regime on the mainland. It is in line with the overall purposes and efforts of American foreign policy in defense and promotion of freedom, peace, security, and justice.

The Communist government in Peiping follows the lead of the Soviet Government in Moscow in the war which the Communist world is making upon the free world. They two work hand in hand toward victory for communism throughout the world. They make use of a great variety of weapons and, with many methods, press their attack on many fronts. They demand concessions but they make no concessions. They talk of peaceful coexistence—but those words do not mean to them what they mean to us. Nor does communism mean communism; it is simply a name, the name of a system devised and employed toward enslavement and exploitation of the many by a few.

The United States is the world's most powerful and most committed champion of freedom. In defense of freedom—our own and that of other peoples—it is simple commonsense that we be prepared and be determined to use many weapons and many methods, both positive and negative. Surely we should not give militant communism aid and comfort. Surely we should refrain from any action implying that we assent to its purposes and efforts to consolidate and extend its gains. Surely we should not accommodate it at the expense of any of our allies. Surely we should make difficulties for it. Surely we must be prepared to counter with effective force if, when, and wherever it resorts to use of force against any free people. And we must make clear to it and to all concerned that we can be relied upon.

#### AID FOR DEPRESSED AREAS

Mr. CLARK. Mr. President, the Senate Committee on Banking and Currency has recently reported to the Senate a bill which would give aid to depressed areas throughout the country—areas which have been chronically depressed for a long time. It is a bill to which I hope all Members of the Senate will give close attention. Such legislation will be of the greatest possible assistance in my State.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial entitled "The Governor Makes Out a Good Case for Our State," which appeared in the Harrisburg Patriot of April 16, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

**AID FOR DEPRESSED AREAS—THE GOVERNOR MAKES OUT A GOOD CASE FOR OUR STATE**

"The people who live in these labor surplus areas don't care whether it is a Demo-

cratic bill or a Republican bill. They want a program that will put people back to work."

That was Gov. George M. Leader speaking. His audience was the House Banking and Currency Committee, holding a hearing yesterday at Washington on area redevelopment legislation. You probably know this legislation better as the depressed areas bills.

Pennsylvania has more of these pockets of unemployment, good times or bad, than any other State. That's because our Commonwealth is a coal-mining State and a center of heavy industry.

All of this, the Governor spelled out yesterday for the Congressmen. It's a familiar story by now to Pennsylvanians.

It all should be a familiar story by now, too, to the Congressmen. They've debated for a long time Federal programs to help hard-hit communities help themselves. A program of Federal aid to bring in new industry and new jobs is a promise in both major parties' platforms. President Eisenhower advocated such a program last year and urges it again at this session.

Governor Leader made out a telling case for Pennsylvania in his testimony before the House committee.

Our Commonwealth, he pointed out, is not asking the Federal Government to do something it is unwilling to do itself. Pennsylvania has established its own industrial development authority to give second-mortgage loans, a model program that many other States are studying and copying. The communities themselves were active with similar local organizations before the State stepped up 19 months ago to give them a helping hand.

On another major front, the Governor also could point out proudly that Pennsylvania is the only State in the Union that is helping its municipalities with urban redevelopment programs to make the communities far more attractive places in which to live and to work.

The Governor argued convincingly that any Federal program should not bypass or work to the disadvantage of the working community-State partnership which Pennsylvania already has.

The Governor could point proudly, too, to the stepped-up public works program instituted as an antirecession measure in Pennsylvania while Congress and other States still were just talking about doing something.

The Governor argued at his best in appealing for a moratorium on politics on these very important proposals. He paid tribute by name to the Pennsylvania Senators and Representatives, Republicans and Democrats, who are striving to secure Congressional action.

There are an array of bills up for consideration. Some are of Democratic authorship; some are of Republican origin. But the people who live in the hard-pressed areas and their fellow Americans who pay so heavily in relief grants and unemployment compensation don't give a tinker's hoot who gets credit, as the Governor pointed out. What they want is constructive action.

For all of the campaign politics right now, Pennsylvania's Republican and Democratic congressmen and its Democratic Governor are showing the way to bipartisan accomplishment.

Is it too much to hope that the rest of the Congress will join them?

Mr. CLARK. Mr. President, a similar editorial entitled "Aid For Depressed Areas," appeared in the Pittsburgh Post-Gazette of April 16, 1958. I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### AID FOR DEPRESSED AREAS

Governor Leader went before a Congressional committee yesterday and made a strong and timely pitch in support of Federal aid to economically depressed areas, of which Pennsylvania has far more than its share.

The Governor wasn't looking for charity or expecting the remainder of the Nation to bail Pennsylvania out of a situation for which it is uniquely to blame.

He was simply appealing to Congress to enact bipartisan legislation, supported by the Eisenhower Administration, to provide Federal aid in one form or another (principally grants and loans) to help create a diversity of new industry and provide jobs in those areas of the nation characterized by chronic unemployment.

Pennsylvania has five major areas—Allentown, Erie, Johnstown, Scranton, and Wilkes-Barre-Hazleton—and seven smaller areas which have been continually classified as surplus labor areas for 2 years or longer. Six others, five of them major metropolitan areas, have more recently been so classified. Three of the six are Pittsburgh, Butler, and Sharon-Farrell.

In all, then, some 18 depressed areas of Pennsylvania might benefit from Federal legislation, depending upon the final definitions to be written into the bill. Since several proposals with varying details are before Congress, Governor Leader did not attempt to narrow his requests to any particular piece of legislation.

He did make the point, however, that the current national economic recession has greatly aggravated the serious, long-term unemployment problems in this heavily industrial State.

It was also explained in much detail that local communities and the State itself have made and are making strenuous efforts to attract new industry on their own initiative and through the use of their limited resources. As evidence of this, the Governor cited the accomplishments of the many local industrial development agencies and of the State's industrial development authority.

But, he said, "We cannot, of course, cure our recession unemployment problem with our own efforts, for it has its roots in a national situation. And we cannot, without Federal assistance, achieve prosperity and economic stability in these economically troubled areas."

Governor Leader told the House Banking and Currency Committee that people living in the surplus labor areas don't care whether the legislation approved is a Democratic bill or a Republican bill—"They want a program that will put people back to work."

Congress has been studying such a program since 1955, when the Joint Economic Committee first called for Federal action to assist the depressed areas. Now the situation is far more acute. The time has come for bipartisan action to assist new industries to get started and to expand in areas of long-time heavy unemployment. Governor Leader's statement to Congress is a commendable contribution to a better understanding of the problem and how to meet it.

Mr. CLARK. Mr. President, typical of the many local agencies throughout the State of Pennsylvania which support the bill is the Jenkins Township, Yatesville Borough School District, located in Wyoming Valley, in the heart of the anthracite coalfields, where for many a long year we have had chronic unemployment.

I ask unanimous consent, Mr. President, that the resolution adopted by this school district, commending the Governor of the State of Pennsylvania for

his activities in this regard and urging Congress to take appropriate action, be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Jenkins Township, Yatesville Borough School District is located in Wyoming Valley and is in the heart of the anthracite coal fields; and

Whereas the taxes derived from the assessment of anthracite coal has been the main source of revenue for the aforementioned school district; and

Whereas the depletion of anthracite coal deposits have materially reduced the income of said school district; and

Whereas many of its residents have been forced by unemployment to leave said district to seek employment elsewhere; and

Whereas the conditions aforementioned have caused said school district to be placed among those classified as distressed; and

Whereas said school district and its residents are in need of State and Federal aid; and

Whereas the Honorable Daniel J. Flood, Senator Joseph Clark, and Governor Leader have introduced, or are in process of introducing, legislation designed to aid distressed areas; be it

*Resolved, by the Jenkins Township, Yatesville Borough School District, and it is hereby resolved by the authority of the same as follows:* That Hon. George Leader, Governor of Pennsylvania; Hon. Daniel Flood, Congressman from Luzerne County; and Hon. Joseph Clark, United States Senator be immediately contacted and their aid solicited to support the bills introduced in the Congress of the United States and in the House of Representatives and Senate of the Commonwealth of Pennsylvania, designed to aid distressed areas, particularly those located in the anthracite coal fields and to do everything in their power, whether by legislation or otherwise, to bring relief to these areas as soon as possible.

SARA COYNE JORDAN,  
President.  
WALTER BECHTALEL,  
Secretary.

#### OMNIBUS RIVERS, HARBORS, AND FLOOD CONTROL AUTHORIZATION BILL

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the City Council of Philadelphia memorializing the Congress of the United States to vote to override the veto by the President of the omnibus rivers, harbors, and flood control authorization bill.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

*"Resolution memorializing the Congress of the United States to vote to override the veto by the President of the United States of the omnibus rivers, harbors, and flood control authorization bill, which provides for the improvement of anchorages between Philadelphia and the sea*

*"Whereas the omnibus rivers, harbors, and flood control authorization bill, providing some \$24 million for the improvement of four badly needed anchorages which had been approved by the Army engineers, was vetoed by the President of the United States after its enactment by Congress; and*

*"Whereas the cargo handled through the Delaware River ports contributes more than \$800 million a year in direct income, and generates several times that amount in secondary income, throughout the Delaware Valley area; and*

*"Whereas the continued development and maintenance of shipping facilities in the Delaware channel is essential to the growth of commerce at the river ports; and*

*"Whereas this commerce is not only of economic benefit to the people and industries of the Delaware Valley area, but also to communities in all parts of Pennsylvania, southern New Jersey, and Delaware, for which the Delaware River is the great and only gateway to the sea; and*

*"Whereas the trend in recent years to increasingly larger cargo and bulk carriers serving these ports makes their swift and safe operation dependent upon the availability of fully adequate anchorages at key points in the river; and*

*"Whereas failure to construct these anchorages will continue the risk of collisions and groundings in the lower Delaware River and will be detrimental to the growth of commerce so important to the economy of the entire area: Therefore*

*"Resolved by the Council of the City of Philadelphia, That we hereby petition the Members of the Congress of the United States to override the President's veto of the omnibus rivers, harbors, and flood control authorization bill;*

*"Resolved, That certified copies of this resolution be forwarded to the President pro tempore of the United States Senate, the Speaker of the House of Representatives, the United States Senators from Pennsylvania, and the Members of Congress representing the Delaware Valley area."*

Certification: This is a true and correct copy of the original resolution passed by the Council of the City of Philadelphia on the 17th day of April 1958.

JAMES H. J. TATE,  
President of City Council.

Attest:

NATHAN WOLFFMAN,  
Chief Clerk of the Council.

#### A TIME TO ACT

Mr. PROXMIER. Mr. President, when the history of this economic recession is written, the administration can never blame its inactivity on a lack of urging by competent and responsible people. Again and again, Members of this body have warned that the time to act is now. We have been joined by a chorus of economists, businessmen, labor and farm leaders, editorialists, and commentators—people from all walks of the Nation's life—who agree that failure to do something in time will require much larger and more costly exertions later, with less felicitous results.

An editorial in this morning's issue of the good, gray, careful, conservative New York Times draws a contrast between the vigorous attack of the administration on the 1953-54 recession in its early stages with the wait-and-see attitude of today, when economic paralysis has gone much further. The editorial expresses the hope that the report of the Rockefeller Brothers Fund, which I placed in the RECORD on April 21, will stimulate the administration to act now.

Mr. President, I ask unanimous consent that the editorial entitled "To Get Off Dead Center," which appears in the New York Times for April 23, be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### TO GET OFF DEAD CENTER

It is to be hoped that this week's memorable report of the Rockefeller Brothers



Fund—which proposed a tax cut of \$5 billion as part of a program for reversing the present downward trend of the economy—will help to get the antirecession policies of the administration and Congress off dead center. For that is the one position in which antirecession policies should never be permitted to get.

It is really extraordinary that the administration should have forgotten so soon the experience of 1953-54 when its antirecession policies brought to a halt within a few months what many feared would be a deep and prolonged recession and set the stage for a recovery that carried economic activity to the highest levels in the Nation's history. Yet this conclusion is inescapable to anyone who compares its reaction to these two challenges, separated by only four years.

In 1953, it became evident by midyear that the economic clouds that had been gathering since spring were not going to blow over—that they foreshadowed a general decline in economic activity. The Federal Reserve had shifted to an easy-money policy as early as May to head off the storm and followed this in June and July with even bolder action—a reduction in member bank reserve requirements.

By September, less than 3 months after the first conclusive evidence that we were in for a general recession, the Secretary of the Treasury declared unequivocally that the excess profits tax and the personal income tax enacted at the time of the Korean rearmament emergency would be dropped at the end of that year. When this announcement of a very substantial tax cut came, it is worth noting, the reported rate of unemployment was less than 2½ percent. Though the recession had been underway only 6 months the President's Council of Economic Advisers told him that, "Prudence as well as zeal for economic improvement requires that the public policy contribute both to the immediate strength of the economy and to its long-term growth."

Acting on this advice, the President immediately recommended a broad program of legislation, high on the list of which were tax proposals, which, besides correcting many personal inequities, would serve to stimulate business enterprise. Between them, the tax reductions of 1953 and 1954 came to a total of \$7.4 billion and to a net figure—after allowing for an increase of \$1.3 billion in social security contributions—of \$6.1 billion.

Dr. Arthur F. Burns, who as Chairman of the President's Council of Economic Advisers during that period, was perhaps the chief architect of the recovery program, has since set down what he describes as some of the major principles suggested by experience that can usefully guide governmental efforts to check a recession. It is highly pertinent to note the principle that he has put at the top of his list: "The first principle is that when the economy shows signs of faltering, prompt countermeasures are required. Even mild measures on the part of the Government can be effective in the early stage of the economic decline. On the other hand, if action is withheld until a recession has gathered momentum, even costly measures may prove insufficient."

With this principle in mind, let us compare the Government's approach to the recession problem of 1957-58 with that of 4 years earlier.

Like 1955, the point at which the downturn became general has been identified as midyear. The recession had been under way, therefore, for 4½ months even before the Federal Reserve acted, on November 15, to reverse its monetary policy of credit restrictions. The administration is still adhering to a wait-and-see attitude on tax reduction, 10 months after the nature of the economic decline had become clearly visible.

Last week brought the tidings from the Federal Reserve Board that the decline in

industrial production had reached 11.7 percent, the deepest decline of the postwar period. (The figure did not exceed 10.5 percent in the recessions of 1949 and 1953.) Even more striking are the figures on unemployment. The rate of unemployment, seasonally adjusted, reached its most recent low in March 1957, at 3.9 percent. The official figure for March 1958, shows that this percentage has almost doubled, increasing to 7 percent. That this does not represent the full measure of the import of the recession on the labor force is clear from the fact that the weekly workweek in manufacturing has declined from 40.2 in February 1957, to 38.5.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there further morning business? If not, morning business is concluded.

#### FAILURE OF PRESENT FARM PROGRAM

Mr. TALMADGE. Mr. President, the time has come when Congress must face up to the fact that our present farm program has been a miserable failure.

It has depressed farm prices below the subsistence level.

It has forced farmers to abandon their farms.

It has stimulated artificially high prices for consumer goods.

It has generated unmanageable surpluses of farm commodities.

It has robbed the United States of its world market.

It has resulted in a farm depression which has mushroomed into a general recession.

Our experience has proved conclusively that reduced acreage, reduced prices, and rising costs lead only to reducing farm income to a disaster level. It has shown beyond contradiction that it is impossible to reduce production by reducing prices, to control production by reducing acreage or to bring supply into line with demand through research which has the effect of increasing supplies.

Mr. President, we have reached the point where the future of the American economy is directly dependent upon the formulation of a bold, realistic, new farm program which will get away from the compounded failures and stereotyped concepts of the past.

To be successful such a program must be one which will, first, let the farmer farm; second, guarantee the farmer his proportionate share of the national income; and, third, place American agricultural commodities back on the world market at competitive prices.

These objectives can never be achieved until the Federal Government is removed from the business of buying, storing, and selling agricultural commodities, and the responsibility for marketing farm produce is returned to the farmer and private enterprise, where it belongs.

These objectives can be achieved only by freeing the farmer to plant and sell his crops as he sees fit with the Federal Government paying him the difference between the prices he receives for commodities sold for domestic consumption and parity.

Mr. President, I am enough of a Jeffersonian Democrat to believe that we would all be better off if our entire

economy were freed and allowed to seek its own level. But, by the same token, Mr. President, I am enough of a realist to know that with virtually every other segment of the Nation's economy protected by law, the farmer cannot be left as the only person without a legislative guaranty of his proportionate share of the national income.

If the farmer is to share in the general prosperity of the rest of the country—if he is to own an automobile, send his children to school and enjoy a reasonable standard of living—it is essential that a new farm program be devised which will give him that assurance.

The farmer has the right to expect from the Federal Government protection equivalent to that received by labor through the minimum wage and industry through the tariff and subsidies.

As a farmer myself, Mr. President, I have given long and serious thought to this problem. While I do not profess to have the answer, I do believe that a program of compensatory payments offers the best hope of achieving the objectives which must be a part of any workable farm program.

With respect to the wool industry, compensatory payments have been recommended by the Secretary of Agriculture and the President of the United States. The Committee on Agriculture and Forestry has reported a bill providing for such payments, and the bill is pending on the calendar at this time. If it is fair for the woolgrowers of the country to receive compensatory payments, it seems to me it would be equally fair for the producers of other basic farm commodities to receive such payments.

The best thing which Congress could do for the American farmer—and for the entire United States—Mr. President, would be to completely abolish the patchwork of discredited programs with which the national economy is now burdened and begin again on the simple basis of free-enterprise farming bolstered by a system of compensatory payments.

This could be easily done through a five-point program which would, first, eliminate all acreage controls and Government loans; second, assign each farmer growing basic commodities a domestic production quota to be expressed in terms of unit measurements—pounds, bushels, bales—which would be the same percentage of the national consumption of basic commodities that the farmer's historic acreage base bears to the total national acreage base; third, guarantee and pay to each farmer a sales price support of the difference between the price he receives for his domestic production quota and 100 percent of parity; fourth, require each farmer to submit a bill of sale with his application for sales price support payments; and, fifth, impose a maximum of \$25,000 on the amount of sales price support payments which any individual farmer could receive.

Mr. President, I asked the Legislative Reference Service of the Library of Congress to prepare for me a table showing the estimated cost of such a program on the basis of 90 percent of parity. This table shows the cost, exclusive of corn, to be only \$1,232,000,000 to \$1,644,000,000.

Projected to 100 percent of parity, the cost would be only \$1,410,200,000 to \$1,808,400,000.

I ask unanimous consent, Mr. President, that this table be printed herewith

in the RECORD as a portion of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Estimated annual payments required to make up difference between 90 percent of parity and market prices on domestic production quotas of the basic commodities (except corn)*<sup>1</sup>

Commodity	Approximate domestic utilization	90 percent of parity price Dec. 15, 1957	Estimated payment requirements per unit	Total payments (million)
Cotton	9,000,000 bales	33.7 cents per pound	\$40 to \$55 per bale	\$300- \$495
Wheat (food use)	500,000,000 bushels	\$2.25 per bushel	\$1 to \$1.25 per bushel	500- 625
Rice	17,000,000 hundredweight	\$5.25 per hundredweight	\$1.75 to \$2 per hundredweight	30- 34
Tobacco	1,700,000,000 pounds	Differs for different types	20 to 25 cents per pound	340- 425
Peanuts	1,300,000,000 pounds	12 cents per pound	4 to 5 cents per pound	52- 65
Corn	3,100,000,000 bushels	\$1.63 per bushel	50 to 70 cents per bushel	( <sup>1</sup> )
Total				1,282-1,644

<sup>1</sup> Assuming no acreage controls and Government loans. Since only a small amount of corn is sold off the farms where it is produced, it did not seem feasible to include corn.

Mr. TALMADGE. Mr. President, that cost figure compares with the figure of \$3,250,000,000 given by the Secretary of Agriculture as the cost of our present farm programs of which less than \$1,200,000,000 goes to farmers in the form of price supports.

Therefore, Mr. President, it is obvious that such a program of compensatory payments not only would cost almost \$1,500,000,000 less but also would put \$500 million more each year in the pockets of the American farmers.

The Legislative Reference Service estimates the savings at between 2 and 3 billion dollars. That is a bargain any way one chooses to look at it.

But more important than the money involved, it offers even greater intangible benefits.

It is extremely simple, and would take the redtape out of the farm program.

It would eliminate the regimentation and dictation imposed by acreage controls.

It would let the farmer plant what he wants and sell it as he pleases.

It would take the Federal Government out of the business of buying, storing, and selling farm commodities and place the responsibility for marketing with the farmer and private enterprise where it belongs.

It would guarantee the farmer his proportionate share of the national income and restore agriculture to a free enterprise, competitive base.

It would end the accumulation of the national farm surplus which has glutted the Nation's markets and stagnated its economy.

It would make the national farm program an estimable budget item which would remain relatively stable over the years.

It would mean lower prices to both the consumer and industry and would put American agricultural products, both raw and processed, back on the world market at competitive prices.

It would give the farmer protection equivalent to labor's minimum wage and industry's tariff.

And it would mark a new and fresh start which would get away from the stereotyped concepts and failures of the past.

Mr. President, the most unfortunate aspect of the present agricultural dilem-

ma is that, to put it bluntly, it is the product of partisan politics.

The welfare of our farmers and the protection and preservation of our national economy demand that we cease playing politics with the farm problem and act in unison to restore to the farmer his freedom and his rightful place in the Nation's economic picture.

My remarks today, Mr. President, are not in the nature of a proposal, but rather as a form of thinking aloud in the hope of generating interest in and thought toward a solution of the problems of our farmers.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senate will be in order. Senators who desire to confer will please retire to the cloakroom. The Senate will be in order, so that the Senator from Georgia may be heard.

Mr. TALMADGE. Mr. President, I feel with all my being that this 2d session of the 85th Congress will be shirking its sworn duty if it concludes its work without enacting a bold and realistic new farm program.

Toward that end, Mr. President, I pledge my full cooperation with all those in this body who feel as I do that the solution to our national economic difficulties must begin with a solution to our national farm problems.

Mr. PROXMIRE and Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and, if so, to whom does he yield?

Mr. TALMADGE. I yield first to the Senator from Wisconsin; then I shall yield to the Senator from Mississippi.

Mr. PROXMIRE. Mr. President, first I should like to commend the distinguished Senator from Georgia on an excellent presentation. His analysis of the farm problem is 100 percent sound with regard to the farmer, with regard to the taxpayer, and with regard to the consumer.

The farm program has been a most unfortunate failure. I agree with the Senator from Georgia wholeheartedly in his objective. I particularly wish to commend him for his sense of urgency. Congress does owe the American people and the American farmer the establishment of a farm program which really

works, and a farm program that provides an adequate income for the farmer without excessive cost to the taxpayers.

I am very happy that I have had the opportunity to be on the floor of the Senate during the delivery of the speech by the distinguished junior Senator from Georgia. His suggestion of a compensatory payment program is very constructive, and I believe it is one of the best answers to the farm problem I have ever heard advanced.

I should like to have an opportunity to study the Senator's suggestion in some detail. However, I am very happy, as a new member of the Committee on Agriculture and Forestry, that I shall have an opportunity, I hope, to attend hearings on the Senator's bill. The distinguished junior Senator from Georgia deserves a world of commendation for his proposal.

Mr. TALMADGE. Mr. President, I am deeply grateful to the distinguished junior Senator from Wisconsin for his remarks. I know of his intense interest in all agricultural matters. As one of the junior Members of the Senate, he recently faced the electorate of his State, to a very great extent on the question of agricultural policies, and the result of that election speaks for itself. We are delighted to have the Senator from Wisconsin as the newest member of the Committee on Agriculture and Forestry. I know that with his knowledge of farm matters, and his demonstrated interest, zeal, and desire to aid the farmers of the country, he will render outstanding service on that committee.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to the distinguished Senator from Mississippi.

Mr. STENNIS. I, to, wish to compliment and congratulate the Senator from Georgia on what he has said with reference to the need for a farm program, and also to approve what he has said about the equalization-payment system, or the two-allotment system, which would provide an allotment for domestic purposes, with a price support, and for unlimited production, so to speak—for those who might wish to engage in it—for the foreign market, as it may apply to cotton. I believe the Senator from Georgia has proposed one of the soundest and best plans I have ever heard suggested.

I believe that a modification of this plan is something we will have to adopt sooner or later. Of course, it will require further study, which will take some time. It cannot be put into operation over night. But after being a Member of the Senate for 10 years, and seeing farm programs come and go, and having seen the programs applied to the man who lives on the land—the little fellow, the middle size farmer, and the larger operators—and considering all of them, I certainly believe that the Senator's plan is a sound plan, and that we should proceed toward full consideration of such a program.

I commend him for his work on the Committee on Agriculture and Forestry. I know, too, that he has a bill on the Calendar now which pertains to the imme-



diate situation concerning cotton acreage. It relates to those who make their living by producing that fiber for the people of America, and who are faced with an additional 21 percent reduction, in their acreage in 1959. Those people already have taken greater reductions than they can stand. It is absolutely unthinkable that Congress will adjourn without passing some remedial legislation along this line, because cotton is the lifeblood of those farmers.

I commend the Senator from Georgia for what he has done in this great field. His bill, which is now on the Calendar, would meet that situation. I am greatly encouraged by his work and activity, and I fully approve the substance of what he has said.

Whatever long-range program is enacted this year, I hope it will apply, as to acreage and price supports, to all producers alike, across the board, rather than create special categories, and privileges among farmers.

I commend the Senator again for his excellent work.

Mr. TALMADGE. Mr. President, I sincerely appreciate the remarks of the distinguished junior Senator from Mississippi. There is no other Member of the Senate who has a keener insight into, or a more complete understanding of, the farm problems of the Nation. Neither is there anyone who has shown a more sincere desire to help to solve those problems than has the junior Senator from Mississippi. We in the Senate who are interested in farm problems must realize that all farmers stand or fall together. It is with great dismay that I have noted that some Senators are perfectly willing to look after the interests of their own constituents with respect to a particular commodity, but run away when the time comes for them to help all the farmers of the Nation. Either we will stand together on matters of farm legislation and help one another to solve our mutual problems, or else, as one of our patriots said in earlier days, we will hang separately.

I am ready to stand with other Senators in seeking to solve the farm problems not only of my State, but also of those of all the other States of the Union. If all Senators will take a similar attitude, I feel that the farm problem can be solved.

In my opinion, the recession we are now experiencing will not be ended until we make certain that those who till the soil for their living receive a fair share of the national income.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. First, I should like to say that I am very proud indeed that the Senator from Wisconsin [Mr. PROXMIER] has been named to be a member of the Committee on Agriculture and Forestry. I think he will join with the other members of the committee who wish to do something for the benefit of the farmers of the Nation. Something should be done, not only for the cotton farmers, the tobacco farmers, the corn farmers, and the wheat farmers, but also for the farmers who

produce other commodities which are in distress.

If we but look at the farm picture for a few moments, we will see that in each year for the last 4 years the net income of the farmers—and the net income is what counts—has dropped at the rate of \$1 billion a year. When we realize that farm income at its peak was around \$15 billion or \$16 billion a year, and has been dropping so rapidly, we will understand that the farmers of the Nation are in destitute circumstances. The farmer will not continue to remain on the farm under those conditions.

To bear out my statement, it will be found that the farmers of the Nation have been leaving the farms at the rate of approximately 1 million each year for the last few years, and that last year 1,800,000 farmers left the farms. That is an indication of the condition of the farmers.

I join in what the Senator from Georgia has said today. He has been pleading for action in the committee. He also is a member of the Committee on Agriculture and Forestry, and I thank God that he is. I hope that all Senators who are members of the Committee on Agriculture and Forestry will join in doing something to help the farmers of the Nation. If we do not do so, we will continue to have unemployment.

There is another matter which should be noted. When we look at the picture again, we will see that the number of farmers who have left the farms to go to the cities, towns, and villages approximately equals the number of unemployed in the Nation today. Many of those farmers could not find jobs in the cities. But if they found work, what happened? They displaced persons who had employment. That is why unemployment is rampant in the United States today.

We must do something for the farmers. If we do not, the Nation will be wrecked.

I thank the Senator from Georgia for giving me the opportunity to say these few words on a matter concerning which something needs to be done, and in a field in which we need to work so urgently.

Mr. TALMADGE. I am humbly grateful for the kind remarks made by the distinguished senior Senator from South Carolina. For approximately 15 months I have been a member of the Committee on Agriculture and Forestry. The senior Senator from South Carolina is the ranking Democrat on that very important committee. I know of his interest in the farm problems of the Nation, and that he has never failed to assist in the passage of any farm bill which would benefit any group of farmers, whether they lived in South Carolina, Oregon, Wisconsin, Pennsylvania, or any other State. His interest in farm problems is a national interest. He always considers farm problems in that light, with the realization that what affects the farmers in one section of the Nation is bound to affect them in all sections. He realizes that whatever affects farmers will ultimately affect the people who live in the urban areas.

The Senator from South Carolina commented upon declining farm income. The latest figures were most discourag-

ing. A few years ago farmers and their families constituted approximately 13 percent of the population of the United States. I understand it has now fallen to between 6 and 7 percent, and that the farmers' share of the gross national product is only approximately 3 percent. In other words, the farmers of America today earn less than 50 percent of the per capita income of urban residents.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. TALMADGE. I am happy to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. I thank my friend from Georgia. I have been very much interested in his remarks. If he will permit me to do so, I wish to give a little background and then to ask him a few questions.

Mr. TALMADGE. I shall be delighted to answer them.

Mr. CLARK. My State, although it is predominantly an urban State, has a very substantial farm population, mostly in the form of small-family farmers who are eking out a not too prosperous existence, and who in many instances are forced to seek partial employment elsewhere.

We have, however, also in the Commonwealth of Pennsylvania a very prosperous agricultural interest, quite prosperous tobacco farmers, and a fruits and vegetables industry; in fact, Pennsylvania encompasses the whole spectrum of farming, except that there is not too much farming in the basic crops. Pennsylvania does not raise peanuts, to speak of; we grow a relatively small amount of corn.

Mr. TALMADGE. Tobacco, I believe, is the basic crop of the Senator's State.

Mr. CLARK. Tobacco is as close as we come to the basic crops.

Pennsylvania is prominent in the poultry business and the dairy business, both of them businesses with which I know my good friend from Georgia is very familiar.

Mr. TALMADGE. I happen to be a poultry and dairy farmer myself.

Mr. CLARK. I know the Senator is. Our problem concerning the present farm policy has to do with the increasing cost of feed to our farmers, but without any particular compensation to them from other subsidies. That has resulted in considerable disinterest on the part of the farmers of Pennsylvania in the present system of subsidies, and, indeed, in the whole farm program as administered, frankly, not only by the present administration, but also by its predecessor.

Do I correctly understand the proposition of the Senator from Georgia to be that the present system in effect with respect to wool should be extended to a number of the other major crops?

Mr. TALMADGE. The Senator from Pennsylvania is correct.

Mr. CLARK. That would mean, would it not, that the grain which the farmers in Pennsylvania need, if they are to remain in business, to feed to their cows, chickens, and other livestock, would be available to Pennsylvania farmers at the market price; in other words, the price of the grain would seek its own level?

Mr. TALMADGE. That is correct. All farm commodities would seek their own price level and the Government would pay the difference between that price and 100 percent of parity.

Mr. CLARK. Would not that be a very favorable thing for the farmers of Pennsylvania?

Mr. TALMADGE. Let me say that I have looked into this matter as thoroughly as possible in the absence of hearings on it. It seems to me that, first, it would save the taxpayers money; second, it would place more income in the pockets of the farmers; and, third, it would assure consumers cheaper farm products, or at least farm products would seek their own price level, and the price would then be determined by the law of supply and demand.

Mr. CLARK. I am interested in what the Senator from Georgia has said about consumers. Pennsylvania is to a large extent an urban State. The cost of living is of grave concern to all housewives. Am I not correct in saying that one reason why the cost of living—from the point of view of the housewife—has stayed up, despite the recession, has been the rather substantial improvement in farm-commodity prices, perhaps due to natural disasters, but also perhaps due to the support prices which, as I understand, would be withdrawn, in favor of a subsidy program, if the proposal of the Senator from Georgia were to be enacted into law?

Mr. TALMADGE. Mr. President, it is a fallacy to say that the price of farm commodities is responsible for the high cost of living. At the present time the farmer receives only approximately 39 cents of each food dollar the housewife spends. For instance, the shirt the Senator from Pennsylvania is wearing is made of cotton. Probably it cost the Senator from Pennsylvania approximately \$5.

Mr. CLARK. It did. It is not a very expensive shirt, either.

Mr. TALMADGE. The cotton in that shirt brought the farmer less than 30 cents. So the Senator from Pennsylvania can see that the price of cotton has very little relationship to the cost of the shirt he wears.

Mr. CLARK. The costs which determine the final price to the consumer are largely distribution costs, are they not?

Mr. TALMADGE. Exactly. I may say, further, that the share the farmer receives of each dollar the housewife spends for food has been decreasing during the last few years, and it continues to go down.

To respond further to the Senator from Pennsylvania, let me say that, at the present time, a loaf of bread costs between 15 cents and 20 cents. But the farmer who grows the wheat which is used to make that loaf of bread receives, as his share of the 15 or 20 cents for which the bread is sold, approximately 1 or 2 cents. So the ultimate price the housewife pays for the food she buys has, in many instances, very little or no relationship to what the farmer receives for that particular commodity in its raw state.

Mr. CLARK. Then does the Senator from Georgia believe that his bill would

not be of much help to the urban consumers?

Mr. TALMADGE. It would be of some help. We should permit the prices of the basic agricultural commodities to seek their own level in accordance with the law of supply and demand. When the farmer's income drops below 100 percent of parity, then—and only then—would the Government make compensatory payments for this particular share of the domestic market.

Mr. CLARK. I thank my friend, the Senator from Georgia, for his lucid explanation.

Let me summarize the matter in this way—in view of what my friend has just said: that although the results of his plan might not drastically decrease the price of farm products to the urban housewife, nevertheless his bill certainly would not increase those prices; and whatever effect the bill would have, would be favorable.

Mr. TALMADGE. It would not increase them, unless the supply of that particular commodity became so scarce that the law of supply and demand would bring about an increase in the price.

Mr. CLARK. I understand. But as compared with the present system, the proposal of the Senator from Georgia would seem to me at first blush to be in the interests of the consumers, as well as the interests of the farmers.

Mr. TALMADGE. It would be in the interest of everyone—the taxpayers, the consumers, and the farmers; and it would permit the farmers to produce, unfettered, not only for domestic consumption but also for world consumption.

Mr. CLARK. I thank the Senator from Georgia for his explanation. As is apparent, I am not a farmer. But I am interested in the situation in Pennsylvania, and in the relationship of the proposed program to the urban consumer.

I should like to give the proposal more study. However, as I now understand it, it proposes the kind of program to which Members of this body who represent States which have large urban populations and family farms should give careful consideration, as possibly a happy way out of our present farm dilemma.

I thank the Senator from Georgia.

Mr. TALMADGE. I thank the Senator from Pennsylvania. Let me say that I have found him to be a keen student of all national problems, including those of the farmer.

Let me also say that, as I have traveled through the State of Pennsylvania, I have seen there some of the most beautiful and most fertile farms to be found anywhere in the Nation. I wish to commend the Senator from Pennsylvania and the people of his great State on the great ability of the farmers of Pennsylvania and the diversity of the crops they produce so bountifully.

Mr. CLARK. I thank the Senator from Georgia, and I return the compliment.

Mr. YARBOROUGH. Mr. President, will the Senator from Georgia yield to me?

Mr. TALMADGE. I yield.

Mr. YARBOROUGH. Mr. President, I wish to pay tribute to the distinguished Senator from Georgia [Mr. TALMADGE] for the fine contribution he has made today. In his service on the Committee on Agriculture and Forestry he has shown a keen awareness of the problems of agriculture in the United States. He has gained that knowledge from his executive experience as Governor of his State, from his experience as United States Senator, and from being a dirt farmer himself.

I wish to associate myself with the position he has taken and with the remarks he has made—if I may have his permission to do so; and Mr. President, as one who comes from a State in which more acres of land are farmed than in any other State in America, I wish to commend the Senator from Georgia, and to join him in his expressions of sympathy for the plight of American agriculture.

Today, only 4 million American families live on farms and ranches—the smallest number of families to live on farms and ranches in this country in 100 years. Although some of the shift to the cities is due to mechanization, that is only one of the causes. Governmental policies have driven millions of Americans from the farms and from the way of life which gave birth to the Declaration of Independence and the Constitution of the United States of America.

I believe we should encourage and pursue governmental policies which will encourage Americans to live on the family-type farms. However, under the integrated type of farm operations now being sponsored by the Department of Agriculture, it has become more and more difficult for farmers who operate family-type farms to earn a living, whereas it is becoming easier and easier for the large farm corporations and companies to own the retail outlets, wholesale houses, processing plants and the feed lots. In fact, many of the large companies now own everything from the soil where the crops are cultivated, on through the packing houses to the retail outlets. Such a situation of vertical integration in the production and processing of food makes for monopoly in this country.

The Committee on Economic Development, in its December 1957 report, stated that of the 4 million farm families in the United States, 1,225,000 had a gross income of less than \$2,500, and that Committee recommended that, because of their low incomes, those 1,225,000 families be driven off the farms.

They recommended that the 1,225,000 farm families be driven off the farms because of their low income—at a time when the leaders of this country say what we need are toughness and hardiness and a spirit of free enterprise and independent initiative. Those people on the small farms are willing to work long hours, as our forefathers did in order to enjoy the freedom of farm life. But we have a Department of Agriculture that says, "Drive them off the farms, if they make such a low income," when these



1,225,000 families are willing to work for that same low income if they can maintain the freedoms which have made this country great.

I want to compliment the junior Senator from Georgia for the concise statements I have heard him make over and over again that agriculture cannot live unsubsidized, in a world in which both industry and labor are subsidized. If everything was free, agriculture could survive better than any other branch of our economy; but with practically every other branch of our national economy being subsidized, it is idle to expect agriculture to survive unsubsidized.

I want to thank the Senator from Georgia for his clear reasoning, and for the fight he is making and has been making for the family-type farm in America.

Mr. TALMADGE. I thank the junior Senator from Texas. I have the honor to sit by him in this body. We have spent many hours discussing the farm problems of this country. I know of no Member of this body who has a more intense interest in solving our farm problems and in seeing that those who till the soil receive a fair share of the national income.

Mr. President, if any Senator desires the floor, I am prepared to yield it.

#### APPOINTMENT OF SENATOR PROXIMITY TO THE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. YARBOROUGH. Mr. President, will the Senator from Georgia yield again to me?

The PRESIDING OFFICER (Mr. Proxmire in the chair). Does the Senator from Georgia yield to the Senator from Texas?

Mr. TALMADGE. I yield.

Mr. YARBOROUGH. Mr. President, I am very happy that the present occupant of the Chair, the distinguished junior Senator from Wisconsin [Mr. Proxmire], has been appointed to the Committee on Agriculture and Forestry. I think his membership on the committee will be a great asset to it.

In his first 8 or 9 months of service in the Senate, I have been impressed with his diligence and ability. I have never known any Member to be more diligent in behalf of agriculture than the junior Senator from Wisconsin.

#### PENALTIES FOR INTERFERENCE WITH UTILITY LINES, PANAMA CANAL ZONE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER (Mr. Proxmire in the chair). The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H. R. 3604) to amend section 831 of title V of the Canal Zone Code, to make it a felony to injure or destroy works, property, or material of communications, power, lighting, control, or signal lines, stations, or systems, and for other purposes.

#### NATIONAL SUPPORT FOR BEHAVIORAL SCIENCE

Mr. HUMPHREY. Mr. President, some of the Members of the Senate will undoubtedly recall the report of 15 scientists, released last February, urging Federal and private support in the basic research of human behavior. This report was a salutary one. It emphasized that the United States research in the behavior sciences now has a clear lead over Soviet research, which is dominated by Communist dogma.

The report warned, however, of "the probability of a breakthrough in the control of the attitudes and beliefs of human beings" that could be "a weapon of great power in Communist hands" unless the West produces "effective countermeasures."

This report, Mr. President, asked the formation of an advisory board of behavioral scientists to work closely with Dr. James R. Killian, Jr., special assistant to the President for science and technology. It also asked more research funds, more fellowships, institutes to conduct research in crucial areas, and support centers devoted to foreign area studies.

These are suggestions which I have discussed in the past, and which continually need reemphasis.

I can think of no better way to re-emphasize these issues than to promote the widest circulation of the report which I have just referred to. It is entitled "National Support for Behavioral Science," and I ask unanimous consent that the text of the report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

#### NATIONAL SUPPORT FOR BEHAVIORAL SCIENCE SUMMARY

The present situation facing our country calls for an evaluation of the role and potential contribution of behavioral science. This is the combined endeavor of many fields investigating all aspects of behavior, leading to understanding of human beings as individuals and in social relations. Behavioral science therefore includes many studies in the fields of anthropology, biochemistry, ecology, economics, genetics, geography, history, linguistics, mathematical statistics, neurology, pharmacology, physiology, political science, psychiatry, psychology, sociology, and zoology. Applications ramify into advertising, business administration, education, government, human engineering, labor relations, law, medicine, military science, operations research, personnel selection, public relations, and many other aspects of human endeavor. Some of these sciences are still in early stages of development, but American research in them at the moment has a clear lead over Russian, which is constricted by Communist dogma.

Behavioral science has demonstrated its usefulness to human welfare and national security. Its further development could increase its contribution in areas of international relations, military defense, and national vigor.

To accomplish these goals, the following recommendations are offered:

I. Formation of an advisory panel of behavioral scientists to work closely with the Special Assistant to the President for Science and Technology. There is need for more understanding, backing, and use of behavioral

science throughout the Government and by the people of the United States, and for encouraging the scientists themselves in their research tasks.

II. Provision of increased funds for behavioral science research, training, and facilities in the National Science Foundation, the Department of Defense, the National Institutes of Health, the Atomic Energy Commission, and other appropriate governmental and private agencies, in order to:

(a) Establish additional university programs or institutes to conduct research in designated crucial areas.

(b) Finance more fellowships, both predoctoral and postdoctoral, especially in all the social sciences.

(c) Increase financial support for basic research in behavioral science.

(d) Make available special facilities for behavioral science, including buildings and equipment.

(e) Support centers devoted to foreign area studies.

#### I. NATURE OF BEHAVIORAL SCIENCE

The United States finds itself today in a world situation which demands assessment of every resource of physical, intellectual, and moral power. In this memorandum a group of citizens examines the present state of behavioral science and how it can improve international relations and foster national intellectual and moral power. We identify areas in behavioral science where acceleration of understanding is feasible, and where application of such knowledge to our problems is crucial. Coming from divergent fields with necessarily different points of view, we nevertheless share unanimous conviction concerning the significance of these areas for human betterment and the urgency of expanding their support.

Behavioral science applies the methods of science—examination, measuring, testing—to man himself. As medicine draws from many sciences whatever knowledge concerns the health of people, so behavioral science draws from many fields what each can contribute to the central problem of understanding the behavior of man. It studies the actions of men, their relations to each other, and to nature.

Behavioral science, striving toward, but not yet attaining, unified theory, seeking precise quantification and accurate prediction of man's behavior, is young, and its subject matter is complex. We know more about heart disease than we do about mental illness. We know more about the laws governing the orbits of planets than the laws governing action and reaction of human groups. Many methods of behavioral science are still crude, yet much is known which, experience has shown, can be put to good use. Much behavior can be described systematically, and changes produced by altering features of the physical and social environments can be predicted. Sometimes a scientific approach pays off well, but to most practical problems the new sciences candidly admit they cannot give immediate solutions. Yet they may suggest the right questions to ask or indicate in what directions the answers lie.

Russia at present lags behind the West—particularly the United States—in the biological, psychological, and social sectors of behavioral science. The biological and medical sciences in general have not been prosecuted in Russia with the zeal of some of the other natural sciences. Marxist doctrine has held back the social sciences, and an adherence to Pavlovian doctrines has retarded much of Russian neurophysiology and psychology. Political considerations have also limited objective investigation of human genetics.

In some behavioral areas basic Soviet science has been adequate, and in other areas research has been successfully applied, as in

pedagogy. In general, however, undue stress upon immediate application has sharply restricted fundamental behavioral research.

The Soviet Government has interdicted the use of psychological testing methods and attitude surveys, methods most useful to democracies in probing the opinions of the people in order to aid government and planning activities. Also, ironically, behavioral science has been used least in the Soviet Union for precisely those purposes for which Americans popularly think totalitarian states would use them most: political propaganda and the control of human behavior for political purposes.

Though the West leads in accomplishments in behavioral science at present, and has more and better trained scientists, the fact that this field is at an early stage of development, here and in all other nations, means that we could be surpassed by a country which concentrated serious effort to that purpose, if we do not intensify our own efforts.

We must assume the probability of a breakthrough in the control of the attitudes and beliefs of human beings through exceptionally effective educational techniques, drugs, subliminal stimulation, manipulation of motives, or some as yet unrecognized medium. This could be a weapon of great power in Communist hands, unless comparable advances in the West produce effective countermeasures.

The democratic conviction of the dignity of man and his role in society is a point of view that stimulates development of behavioral science. Concern for the individual has traditionally set problems for philosophers, statesmen, and spiritual leaders. Human behavior represents a complex intermingling of moral and physical considerations, and there is an important region of overlap between behavioral science and the humanities, particularly history, languages, literature, philosophy, and religion. The sciences of man often build on and clarify the wisdom of the humanities, and attempt to formulate the test precise laws.

Before World War I it would have been difficult to point to many applications of basic research in behavioral science that were better than the commonsense judgments of competent individuals. Now there are instances in which basic research has led to important advances that have already had impact on society. These include: intelligence and aptitude testing; techniques to speed learning and increase the effectiveness of education; use of drugs in alleviating or curing certain mental illnesses; sample survey methods using mathematical statistics for measuring and predicting social trends; development of increasingly reliable economic indicators fundamental to planning in government and industry; use of group dynamics to improve the efficiency of face-to-face working groups; and many others. Such achievements made for widespread general acceptance—sometimes too enthusiastic and uncritical—of behavioral science.

Throughout the ages when man has gained more knowledge, he has gained more freedom. His understanding of physical laws increasingly has enabled him to control the natural environment, protect himself from heat and cold, and travel speedily and comfortably. Expanding biological science has freed him from pestilences, most of the terrors of childbirth, the feebleness of malnutrition, many forms of pain and physical misery. His life span has been prolonged and made more healthy.

Similarly behavioral science, directly probing man's central nature, gives promise of increasing his degrees of freedom, and expanding his effectiveness and creativity. He can be released from the construction of life by neurosis and feeble-mindedness and the

tragedy of psychosis; the limitation of opportunity from inadequate education, associated prejudice and bias; the diminishing of contentment and effectiveness from marital strife, industrial unrest, crime, and delinquency; and perhaps most of all, the fear of international conflict which constrains the free expression of the world's peoples. To these central problems of human existence the sciences of man ultimately address themselves.

We are coming to accept as likely in the future a sort of physical existence which would have been unimaginable a few years ago. But the potential benefits which can flow from basic study of our behavior are not so clearly seen. A chief purpose of this report is to present and urge these bright prospects.

## II. ILLUSTRATIVE FIELDS OF BEHAVIORAL RESEARCH

A few examples of the many areas of basic research which can be applied to bettering human life are:

(a) Drug effects on behavior: Beginning with the sedatives and anesthetic drugs, and dramatized at present by new tranquilizing and antidepressant compounds, the field of psychopharmacology is developing with vast potential importance for understanding behavior. Chemicals are involved in brain activity and hormones affect behavior; compounds exist which can produce temporary psychotic states or lower resistance to communication of confidential information. Certain drugs, when injected into animals or man, can modify sexual behavior or subjective emotions. The fundamental significance of all this is that clues are rapidly unfolding which give us entirely new insights into the biological determinants of actions, feelings, and reasoning processes. The wide range of possible industrial and medical uses is apparent.

(b) Creativity: Among the highest traits is the ability to produce new intellectual discoveries and artistic products. Such novelty invests life with richness. Methods are being developed for investigating the creative processes of geniuses and others of unusual ability, as well as the effects on them of early experiences and other influences. Quantitative techniques are being worked on for measuring and analyzing inventive processes of discovery. The conditions under which creative activity flourishes and the role of emotions in aiding or blocking it also are being investigated. All this work can lead to expansion of horizons of satisfaction for the artist and creator as well as for those who profit from their endeavors.

(c) Human performance capabilities and limitations under stress: While the capabilities and limitations of human beings under normal conditions of work have been extensively studied, little is known about them under extreme work conditions or stress. Nor is much known of techniques of training, motivation, environmental aid, or pharmacological support for individuals who must be required to undergo extreme conditions while maintaining high proficiency on the job. Examples of such extreme conditions are: long stretches of continuous confinement in atomic submarines or space vehicles; absolute or relative isolation of individuals or small groups; pressures of responsibility in high governmental office; extremes of tropical heat or arctic cold; enemy-applied insults to body and mind; and information input overload. Basic research effort is needed to explore not only the limits of human capability under stress, but also the techniques that may be used to improve performance under such influences.

(d) Personnel utilization: Much research in behavioral science has been and can be done on the problem of putting the right man in the right job in the Armed Forces,

industry, civil service, or elsewhere. Such investigations define the human tasks to be performed, the jobs, and organizations of men required for the accomplishment of those tasks, the kinds and numbers of men that must be recruited, the types and amounts of training they must be given, the standards of performance that must be met, the differentiation of careers that must be offered, and the criteria for the promotions, separations, and reassignments of men that must be effected. Psychiatry and psychology have made major contributions by providing instruments for the selection and classification of men in terms of aptitude, by defining effective techniques of training, by producing improved measures of job performance, and by providing systematic procedures for the anticipation of human skill requirements in new and untried situations. Social psychology and sociology have made contributions to the solution of problems of human relations, morale, leadership, and the management of human organizations. Nevertheless, the full potential of these sciences for improvement of the effectiveness and economy of management and administration in all fields has not been realized.

The demands that will be placed on military and civilian personnel management systems of the future cannot be fulfilled without full application of behavioral science. The industrial or military organization of the future will require highly selected, thoroughly trained, and technically skilled men who most often must operate as members of closely knit teams in conjunction with extraordinarily complex machines. In the most crucial of their activities, they must perform their functions with precision and wisdom of decision. Further, in military situations they may have to act under the stresses of isolation, vigilance, and unusual environmental conditions, operating in dispersed locations and in small groups in which problems of military organization and management, as well as leadership, will come in novel forms.

(e) Decision process: The role of man in the last half of this century will increasingly be that of an information processor and decision maker. Heavy demands will be placed on human beings at various levels—not only top administrators—for correct, closely integrated, vital decisions. The theory and empirical analysis of human decision processes have been vigorously pursued during the last 10 years, with promising progress. However, gross deficiencies exist in basic understanding of the process, the conditions for its efficient operation in different contexts of information scarcity and information overload, and the conditions of efficient selection or training of individuals for decision making.

(f) Group functioning: Recent advances in behavioral science have made important contributions to our knowledge of man as a social being. Modern techniques of cooperation in industry, science, and warfare emphasize a greater reliance upon small groups of men functioning semi-autonomously and integrated into larger operations only through complex and sometimes vulnerable communication systems.

For a small group to be efficient, each member must contribute the particular technical and social skills expected of him. Basic research on group functioning will almost certainly yield important general principles for group assembly, training, and management, because a number of the technical tools and concepts needed for this effort are now available.

(g) Measurement of economic process: Much of the strength of any society derives from its monetary policy and the effectiveness of its labor and management, its production, distribution, and consumption. Theory in this field has become more sophisticated with the years, and theories have



been confirmed or destroyed by new measurement techniques based on masses of statistics, painstakingly collected. Recently new methods of econometric analysis of broad economic systems and economic decision making have been developed. Much that can profit national and international trade can be done to make this field more empirical and even experimental. Measuring the effects of psychodynamic factors on consumer preferences, of political boundaries on the flow of trade, of morale factors on fluctuations in stock values, and of numerous other related elements can eventually put our understanding of economic matters on a basis of more precise science, and so aid in the effective mobilization of resources.

(h) Cultural differences and change: The varied customs and different ways of life of the peoples of the world pose complex intellectual and practical problems. The extent to which these ways of life or cultures constitute systems as opposed to mere aggregates of customs is undetermined. If, as most anthropologists agree, cultures are systems, perhaps the principles of their growth and decay can be scientifically formulated. Theory construction has begun and provisional generalizations are in sight.

The facts of cultural differences and rapid social change present difficulties to American programs of foreign aid and diplomatic or other communication with peoples abroad. Consequently, it is urgent that we develop a scientific understanding of our own and other ways of life. The use of surveys and other procedures of behavioral science can vastly improve our international intelligence activities. Many of the needed facts are already available in the human relations area files and other sources, but techniques for formulating sound theory and applying it in policy are still to be developed.

(i) Man-machine system design: During the past 10 years behavioral science has been employed with increasing effectiveness in the design of man-machine systems. It has influenced choices of components like dials and signals, levers and controls, and formulation of procedures to coordinate man and machine in accomplishing an integrated purpose. The advances in technology of mechanical components, such as electronic computers, however, have led to rapid increases in system complexity so that the available knowledge about the capacities and limitations of man in man-machine systems has become more and more inadequate. This is true for automatic manufacturing equipment, large-scale traffic control techniques, manned space vehicles, systems for the surveillance of combat areas, and those which automatically collect and process information. In part, this deficiency results from the fact that only primitive methods are available for comparing the effectiveness of systems in which human beings and equipment must be coordinated. In part, the deficiency is attributable to inadequate scientific information about man's perception, memory, reasoning, and decision-making capabilities.

The joint participation of systems engineers and behavioral scientists in basic research on man-machine system design and use, and the provision of adequate system simulation facilities for such purposes, are necessary for advance in this field beyond present rule-of-thumb methods.

### III. PERSONNEL AND FINANCIAL SUPPORT FOR BEHAVIORAL SCIENCE

Behavioral science has grown principally in the universities rather than in applied or professional settings. Well established graduate training programs are found in 40 to 50 American universities, and at least 20 of these may be judged clearly superior.

The number of talented persons who enter and complete graduate training in be-

havioral science is now limited by the shortage of fellowships and assistantships. A recent report of a National Science Foundation 1954 survey presents the following analysis of all forms of support (teaching assistantships, research assistantships, and fellowships from educational institutions, the Federal Government, and other sources):

Field	Percent of resident students with stipends	Median stipend
Physical sciences.....	58	\$1,360
Biological (life) sciences.....	62	1,395
Psychology.....	31	1,185
Social sciences.....	24	1,065

The Federal Government, by its present programs of fellowships and research grants, is contributing to this imbalance:

Field	Number receiving Federal support	Percent of resident students
Physical sciences.....	3,399	18
Biological (life) sciences.....	1,696	13
Psychology and social sciences.....	512	2

While it is desirable to augment the Federal support of graduate training in all the sciences, it is clear that the greatest deficiency is in the social sciences. The 1954 survey disclosed that there were, in the social sciences, excluding psychology, only 15 students with Federal fellowships, and only 95 assistantships on federally financed research projects. There has been no substantial change in these figures in the subsequent years.

Financial support for university research in behavioral science comes from university funds primarily, and from private foundations and government. The 1954 study conducted by the National Science Foundation reports total support of social science and psychology as \$19 million, and of biology as \$34 million. Of this total Federal Government funds constitute 42 percent in social science and psychology and 53 percent in biology, as compared with 84 percent in physical science.

The number of college graduates who are professionally employed in the psychological and social sectors of behavioral science is estimated at 55,000, and in the biological sector, slightly more. Of these, one-third have received graduate education to the Ph. D. degree. Together these constitute two-fifths of the Nation's scientists.

More than half of the behavioral scientists are engaged primarily in college teaching. The remainder are employed in government, business, industry, schools, and so forth. The proportion active in research, except in biology, is less than in physical science.

Basic research, as distinguished from applied research and development, is essential for the maintenance and continued growth of any scientific field. The requirements for basic research, and the desirable conditions for fostering and supporting it, were presented in the National Science Foundation 1957 report on basic research. Its recommendations for minimum restrictions on the freedom of the scientist, for long-term program-type grants instead of specific project grants, and for integration of outside supported research with the training of graduate students, are equally appropriate for behavioral as for all science.

The support of behavioral science by universities and foundations is predominantly for basic research. This is not true of Federal support, which is greater for applied research, especially in social science. The fol-

lowing table shows Federal expenditures for 1957, in millions of dollars:

Field	Total basic and applied research	Basic research	Percent basic
Physical sciences.....	647	143	22
Biological (life) sciences.....	281	70	25
Social sciences.....	35	4	13

Although Federal support for basic social science research comes from several departments and agencies (especially the Department of Defense and the National Institute of Mental Health), the National Science Foundation, which is specifically charged with support of basic research, reports grants totaling \$382,000 in 1957 and about \$600,000 in 1958.

### IV. EXAMPLES OF PROGRAM NEEDS FOR BEHAVIORAL SCIENCE

Most of the research in behavioral science is conducted by individuals working alone or associated with a few colleagues or students. It is desirable to maintain the freedom and diversity which characterize such work. At the same time it is desirable to support the mixed strategy of establishing a number of programs or institutes, organized primarily in universities, which carry out broad and continuing researches focused on a defined target area.

In areas where the capabilities or interests of individual scientists do not result in sufficient research to meet the recognized need, it is desirable to foster more organized efforts. Further study needs to be directed to identifying such crucial research problems and supporting institutes or research centers to work on them. A few examples are given:

(a) An institute for the formulation of general behavior theory: A carefully selected group of behavioral scientists from different specialties would work together intensively for an extended period to hammer out a provisional theory of behavior, interrelating the hypotheses and findings from different fields.

People who imagine that they operate without any theory about motivations and behavior are as naive as Molière's character who spoke prose without realizing it. Even the most practical people have their individual theories of human nature and constantly act upon them. The trouble is—and this includes most of the behavioral scientists most of the time—that these theories are incomplete (do not embrace what is scientifically established or highly probable and relevant) and are not explicitly stated or subjected to critical scrutiny.

In recent years groups of behavioral scientists have made useful efforts to pool their tested knowledge and construct an economical, unified theory. These undertakings have been impeded by the press of day-to-day teaching, administrative, and research responsibilities. It will be a great value to detach—on a high priority basis—the best possible people (perhaps 20) completely from such routine duties, put them in a somewhat isolated location, and give them all necessary secretarial, library, and research assistant facilities.

(b) Additional foreign area study centers beyond those that at present exist in American universities. Such centers serve to extend the resources for training in the language and culture of foreign countries, and to provide good recruiting grounds for personnel who would eventually be drawn into Government service. These centers also conduct active programs of research in the history and current status of political, economic, and social developments in the area, and in the problems of technological and social change, and may maintain close contact, through conferences, advisory panels

and other procedures, with the problems and needs of the governmental agencies concerned with foreign programs, intelligence collection, and policy formation.

(c) A program for the study of processes such as concept formation, logical problem solving, thinking, and decision making, including the use of electronic computers to simulate the theoretical models of such functions.

(d) A program on the use of social statistics in the development of theories of social change and the prediction of future trends. In the field of economics the work of the National Bureau of Economic Research and of the Brookings Institution has yielded concepts and methods which have become important in Federal economic policy. Although there is not now any systematic effort to conduct comparable research in the social field, the need is acknowledged. The Federal Government now collects some of the needed data and could collect more if there were a solid basis for knowing what would be useful.

(e) An institute for the study of the identification, motivation, and education of talented students for useful careers in our society. The most effective use of the Nation's brainpower would be supported by research on occupational aptitudes, conditions for fostering creativity, evaluation of special educational programs for the gifted, and so on.

#### V. TOOLS AND TECHNIQUES FOR BEHAVIORAL SCIENCE

There has been great advance in the tools and techniques used in behavioral science. These include: Microelectrodes that are so small they can penetrate and make electrical recordings of a single cell in the brain and still not disturb its functioning. Computers which can simulate some aspects of behavior, and computers which can speedily analyze social data of a complexity heretofore unapproachable. Radioactive tracers to study function of the nervous system. Game theory—a mathematics of decision making, maximizing profit while minimizing loss. Survey centers with nationwide field staffs. Electrically controlled apparatus enabling animals to choose how much drug or current they will apply to a particular brain center penetrated by a microinstrument. Quantitative means for measuring the content of information in flows of conversation. Electronic filters for separating the frequencies of speech which convey feelings from those which convey ideas. Many of these techniques are costly compared with the methods used in the study of man by the solitary investigators of a few decades ago.

With such tools behavioral scientists can investigate crucial areas, vital concerns of individuals and society in our Nation and the world. In so doing they will attack some problems novel even to those acquainted with the classic status of these fields only a few years ago.

Because the needs of behavioral science for research facilities are different from the more traditional laboratories of the physical sciences and the libraries of the humanistic studies, they have not been so easily recognized and met. But the current developments of experimental and quantitative methods, and the requirement to study social behavior in real-life situations where it occurs, make clear the need for major research installations whose cost is beyond the means of most universities.

While a systematic analysis has not been made of facility requirements, a few examples may be given:

(a) Electronic data storage and retrieval mechanism for the human relations area files, a compendium of categorized information on several hundred societies of the world. The data collection and classification have been continuous over the past 15 to 20

years, and much of this work has been supported by grants from the military departments. The use of new data-processing methods for the hundreds of thousands of items seems worthy of exploration.

(b) Electric computer centers, needed for behavioral science research, just as for other areas.

(c) Laboratory for research on primate behavior, with facilities for breeding and care of large numbers of animals. The study of monkeys and apes has shown promise for many aspects of behavior (such as thought processes, genetics of behavior, and controlled infant environments) for which other animals are not so suitable.

(d) Survey research facilities are essential for many kinds of research. The maintenance of a well-trained national field staff, however, is too expensive for any university to support.

#### VI. CONTRIBUTIONS OF BEHAVIORAL SCIENCE TO FOSTERING THE PEACE

President Eisenhower has asked for a science for peace. The issues which can be attacked by behavioral science are the human ones whose solution can guide world affairs along the course from cold war to ultimate peace. These are the most crucial of the many applied problems to which the sciences of man address themselves.

Prof. I. I. Rabi recently stated this need clearly and forcibly:

"We have to solve the problem of living together on this planet or we won't live. By we, I mean the major part of the globe, the United States, Russia, and other nations. The end of our national existence is in sight unless we solve the problem."

There has been almost no systematic research in behavioral science concerning international relations and diplomacy, negotiation, the prevention of war, or the operation of arms control systems. Yet our most striking diplomatic successes have been mixtures of technology and politics. Such was our open-skies proposal and our atoms-for-peace plan. Human technologies can also be employed. Behavioral scientists could make a specific contribution in this.

Immediate efforts toward national defense should be paralleled by research to discover methods for achieving more permanent and satisfactory means of international agreement. Such discoveries would provide greater security for peoples generally than the invention of any new weapons system.

This is a mission which demands all the wisdom and imagination that behavioral scientists can bring to bear. It is aimed at operating upon the causes rather than the means of war. This can involve efforts to alter the attitudes which create tensions among nations. It also can include objective studies of what other peoples really think of us; clarification of our own self-image and aspirations; scientific devising of our information programs; development of assistance programs to suit the culture of receiving countries; and reduction of the stress on underdeveloped nations we aid, which results from technological change. All these very practical issues in relieving international tensions are vital and researchable, but they are receiving little attention.

#### VII. THE PLACE OF BEHAVIORAL SCIENCE IN NATIONAL DEFENSE

Though not the application of greatest human hopefulness, certainly the military uses of behavioral science lead all the others so far in the amount of Federal money expended. For example, during World War II, there were many accomplishments. Standardized tests of ability markedly improved the efficient selection of officer candidates. In the Air Corps training failures were reduced from 61 to 36 percent. The Army's research division developed techniques for screening potential psychiatric casualties among military recruits. Naval psychiatrists

were able to improve the rate at which such casualties were returned to duty. At the beginning of the war, only 5 to 10 percent of psychiatric casualties could be returned to duty, but with the use of new methods, psychiatrists could salvage 60 percent for frontline duties in 2 to 5 days and an additional 30 percent for service in rear areas. Some problems were even demonstrated to be nonexistent. For example, there was much talk about the causes of absenteeism among workers in war industries. A survey established the fact that there was little or no absenteeism not attributable to such normal causes as sickness, women having to stay home to take care of children, and so forth. More effective methods of convincing Americans to buy war bonds were inaugurated. Certain testing devices used in selecting American troops were later found to correlate positively with aspects of their combat performance. Engineering psychologists aided in the design of weapons and equipment. Anthropologists successfully predicted the morale of the Japanese population. The list could be extended at length.

Each of the areas of basic investigation mentioned earlier in this report has military implications, and as the methods of war grow more efficient the need increases for more precision in understanding behavior of men in military systems. Selection of the right personnel; training; management and leadership; and the maintenance of cooperation and morale—all these are everyday problems which become more acute in military life. Brainwashing; psychological warfare and countermeasures; obtaining, processing and evaluating of intelligence—these are problems of special importance to the Armed Forces. The functioning of man, with his limitations, in planes moving faster than sound or in electronic detection systems supplying information at great speeds; effects on him of low oxygen, extreme cold, high gravity, weightlessness, cosmic radiation; the emotional stability of men on long missions in isolation, or under great stress of decision responsibility—all these are problems for behavioral research. They can arise in other walks of life but are particularly pressing in the military situation of new weapons, new strategies, and new possible battlefields in space.

As weapons develop from jetplanes to spaceships, from atomic cannon to ICBM's, from independent fighters to intercontinental electronic warning systems, the demands on man will usually increase. Gross variability in human performance once was acceptable in war, because so many other factors fluctuated. But in modern weapon systems the greatest source of error is man, and consequently a precise science of his acts is urgently required. The newness of our defense problems requires imaginative reexamination of old assumptions and non-traditional research on the human factors in war.

#### VIII. CONTRIBUTIONS OF BEHAVIORAL SCIENCE TO THE NATIONAL STRENGTH AND SPIRIT

The strength of a nation depends on its technical and material assets, and on the scientific research which constantly expands these physical resources. But national strength is equally dependent upon human factors which determine how effectively physical resources are used: the health, morale, and motivation of the population, as well as the formal and informal organization of the society. The well-being and happiness of its citizens are goals of a democratic society, rather than mere means for the attainment of greater material strength. And the productivity of society is dependent upon all these human factors, which are the subject of study of behavioral science.

Americans are still only dimly aware of the central role our educational system plays in our present way of life and in our future development. Fortunately President Eisen-



hower's "safety through strength" program stresses education as one of its main points. His recommendations on education include the selection and guidance of the gifted and the evaluation of methods by which they are trained. These tasks demand the collaborative efforts of behavioral scientists and educators.

The population of the United States will increase and automatized technology will expand so that in a few years there will be enough manpower, but not enough highly trained manpower. This situation can be expected to continue for the next 10 to 20 years. The qualitative shortage will come from failure to provide scientific and technical education in our public schools rather than from scarcity of pupils with capacity for such education.

Future developments may force Americans to undergo significant changes in attitudes toward: expenditures for national defense; alertness to the possibility of major emergencies; resistance to enemy psychological warfare; and acceptance of the necessity of a professional military force. These will be achieved only through modification of long-established traditional attitudes, a process calling for careful study in behavioral science. Again, in the event of war, one of the gravest dangers is loss of morale, despair or actual panic. These might be brought about by sudden crisis, or by a slower deterioration of military position coming, nevertheless, too rapidly for the people to adjust.

There might be loss of faith in our own strength or capacity to resist attack or alarm over radiation from fallout or astonishment at an unforeseen collapse of the economy. Additional research in behavioral science is needed to enable us better to forecast such reactions and to mitigate their consequences.

Another rapidly developing field is that of human relations in labor and industry, which can increase the general productivity of the country. It is important to support needed basic research in this area, which probably cannot or will not be directly supported by industry or labor.

In many ways the primary internal social and medical problem of America is mental disease, broadly defined. We have 750,000 people shut away from productive existence. There is a much larger number unable to make their expected contributions to society or even to live happily with themselves. Nor can they live happily with others; witness such problems as divorce and juvenile delinquency, racial and ethnic strife.

There is a special role, also, that behavioral science can play in all research. In science education, selection of scientists, organization of research groups and encouragement of research creativity, the problem is fundamentally one of behavioral science rather than natural science; even though it may concern the development of engineers, mathematicians and physicists.

We have cataloged in the preceding paragraphs a few areas in which a democracy has a natural interest in behavioral science. Fear of the Russians, and measures we must take to meet the Soviet challenge, are not the only motives for supporting such research. Preservation of our advantages and sharing them with the world are other motives even more compelling than fear of a strong enemy. Whatever the motive, the conclusion is the same: the United States must be strong physically and morally, and therefore needs to pursue such investigations in behavioral science as will contribute to this strength.

#### NIKITA KHRUSHCHEV

Mr. HUMPHREY. Mr. President, it would be well for every American to study very carefully the biography, the habits, talents, character, attitude, statements,

and policies of Nikita Khrushchev, the Soviet Premier and head of the Soviet Communist Party. I am afraid there is a tendency in American circles to discount the ability of this man—his cleverness, his adroitness, his unique native ability as a propagandist, and as an effective political leader.

There recently appeared in the New York Times a profile sketch of Nikita Khrushchev by Mr. William J. Jordan. It is important reading for every American, and surely for every Member of Congress and the executive branch of our Government.

I might add that this profile sketch commented on the vodka habits of the Soviet leader, but warned Americans that the picture of the glass in hand is not always one that would indicate that the head is empty.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### AN APPRAISAL OF FICTION THAT VODKA DULLS KHRUSHCHEV'S ABILITY AS LEADER

(By William J. Jordan)

Moscow, February 10.—Many people in the West have a distorted picture of Nikita S. Khrushchev, the Soviet Union's leader.

The myth has been started by cartoons and by articles, written largely by uninformed persons with an eye more to color than to fact, that the Communist Party chief is a drunkard. This version, which pictures him reeling from one cocktail party to another, is not only wrong, it is also dangerously misleading.

Virtually all members of the diplomatic corps in Moscow and most foreign correspondents here, who see more of Mr. Khrushchev than do any other foreigners, believe that this fantasy concerning the Soviet party first secretary should be discarded once and for all.

#### A WILY POLITICIAN

The fact is, they say, that Mr. Khrushchev is clearly one of the most capable and wily politicians of modern times.

The very fact that Mr. Khrushchev not only has survived but also has risen to leadership in one of the most competitive and demanding political systems in world history should be proof enough of his ability. Men do not rise to the top in the Soviet hierarchy and stay there even for a short time by being incompetent, stupid or unwary.

To think otherwise, most competent observers here believe, means selling short, with possibly disastrous results, the most powerful adversary of the non-Communist world's way of life.

It is easy to make light of Mr. Khrushchev. Physically, he is not very prepossessing. He is short, about 5 feet 5 inches, and any physician would probably advise him to lose 30 or 40 pounds. His roundish bald head and far from handsome features make him an ideal subject for cartoonists and caricaturists.

But nothing about him has been more exaggerated in drawings and in articles than his drinking.

This does not mean that Mr. Khrushchev does not drink. He does. Moreover, he can drink a large quantity of liquor without noticeable effect. The fact is, however, that if he drank even a small part of what he is said to consume, he would not have reached the heights he has. Nor would he be the dangerous opponent he is for the makers of Western policy.

The myth of Mr. Khrushchev's drinking seems to have begun with his visit to Yugo-

slavia May 26 to June 3, 1955, with Soviet Premier Nikolai A. Bulganin. They were seeking to heal the Soviet Union's rift with President Tito.

One evening, at a party, Mr. Khrushchev and virtually everyone else attending had a great deal to drink. He met and talked with a group of Western reporters and invited some of them to the Soviet Union. Witnesses reported he was intoxicated.

From that incident, the picture of Mr. Khrushchev as a heavy drinker emerged. It has survived and been embellished, most often by persons who have never seen the man or perhaps have watched him from afar once or twice.

#### A MOSCOW CUSTOM

The system of diplomatic and Kremlin receptions that prevails in Moscow has helped foster this idea. It is customary at such parties for the host to offer a toast and for the guest of honor to respond. Because he is almost invariably either the host or the leading figure among the guests, Mr. Khrushchev has been pictured countless times with glass raised on high.

Readers seeing the picture—often with the encouragement of a misleading caption—are likely to say: "There's Khrushchev with a drink again." And they conclude that everything he may have said at the party was delivered through an alcoholic haze.

More often than not his glass contains mild wine or even fruit juice. Mr. Khrushchev drinks far more wine at parties than he does vodka.

Unwary rewrite men and caption writers help carry on the fiction. The Moscow reporters' phrase "diplomatic reception" has been known to appear in print as "cocktail party" even though there may not have been a cocktail within miles. The representatives of some countries here refrain from serving alcohol for religious reasons, yet their parties, too, are sometimes described as "cocktail parties."

That happened recently when the Indian Ambassador held a reception to celebrate his country's independence. Nothing stronger than fruit juice or mineral water was on the tables, yet pictures of Mr. Khrushchev drinking juice described him as being "at a cocktail party."

It is not clear why this misleading version of the Soviet leader should have become so widespread or why some writers in the West persist in repeating it.

Those who have seen Mr. Khrushchev in action over a long period can testify the party leader, even after a few drinks, knows precisely what he is doing and saying.

#### PRINTING AS A SENATE DOCUMENT A STUDY ENTITLED "SCIENCE AND TECHNOLOGY ACT OF 1958"

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 292, which resolution I understand has been cleared with the acting minority leader.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 292) was read, as follows:

*Resolved*, That the staff study entitled "Science and Technology Act of 1958" (S. 3126), prepared for the Committee on Government Operations, be printed as a Senate document, and that 5,000 additional copies be printed for the use of that committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota for the immediate consideration of Senate Resolution 292?

There being no objection, the resolution was considered and agreed to.

Mr. HUMPHREY. Mr. President, so that there may be no misunderstanding at all, the resolution just agreed to provides for the printing of a staff report. It is clearly understood that the staff reports are background information for Members of Congress, as well as for the general public. There are portions of the report which may be highly controversial. No Senator has affixed his signature to the report, even though it has been prepared by a most competent staff. Surely on that basis it merits the most serious consideration.

Mr. President—  
The PRESIDING OFFICER. The Senator from Minnesota.

#### HEARINGS ON SCIENCE LEGISLATION BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. HUMPHREY. Mr. President, I desire to inform the Senate, and others who may be interested, that hearings have been scheduled by the Subcommittee on Reorganization of the Senate Committee on Government Operations, of which I am chairman, on certain provisions of S. 3126, the Science and Technology Act of 1958, beginning on Friday, May 2, and continuing on May 6 and 7, 1958.

These hearings will be the first phase of the committee's study of necessary reorganization of science activities in the Federal Government. The hearings scheduled to begin on May 2 will be limited to consideration of a program for coordination of scientific and technical information. The committee has received various proposals dealing with this problem from Western Reserve University, Stanford Research Institute, Documentation, Inc., Associated Technical Writers, Inc., Pergamon Institute, and other groups interested in improving the assembling, translating, abstracting, collating, retrieval and dissemination of technical information from both private and governmental sources.

The committee has also received comments from various other private groups interested in this subject, such as the Chemical Abstracts Service, Biological Abstracts, and Associated Technical Services, Inc. Representatives from all of these groups will be invited to testify at the hearings in order to give the committee the benefit of their views and recommendations. Also, representatives of a number of Federal agencies engaged in gathering and disseminating scientific information, such as the Office of Technical Services, National Science Foundation, the National Academy of Sciences, the Central Intelligence Agency, Atomic Energy Commission, and others, will be requested to present their views and recommendations for appropriate legislative action at a later date, probably early in June.

While the first objective of these hearings will be to develop information as to the need for further legislation to enable the Federal Government to establish a

program to insure the adequate dissemination of scientific and technical information, the immediate need is to provide the Committees on Appropriations with the necessary data as to the fiscal requirements of the Federal Government to properly coordinate its activities, and to effect a cooperative program with private activities in this field.

A summation of the problems and issues involved in connection with this phase of the proposed reorganization of scientific activities of the Federal Government is contained in a committee print released by the Committee on Government Operations on March 26, consisting of an analysis and summary of the bill, S. 3126, prepared by the staff of the committee. This committee print has been revised and will be printed as a Senate document now that the Senate has approved a resolution (S. Res. 292) authorizing its publication. The document, as revised, contains additional data relating to the subject of the hearings scheduled for May 2.

The bill, S. 3126, contains a number of other vital provisions dealing with science activities but, in view of the fact that most of these relate to matters which are under consideration by the Committee on Astronautics and Space, which I understand will request its reference to that committee, and by the Senate Committee on Labor and Public Welfare, hearings on these aspects of the bill will be deferred until a coordinated program can be worked out between these committees and the Committee on Government Operations relative to the various titles and provisions of S. 3126, as outlined in the Senate document.

I might add, Mr. President, that I have cleared this matter with the majority leader, so there can be no conflict of jurisdiction relating to the rights and privileges of the Special Committee on Space and Astronautics and the Subcommittee on Reorganization. This is a cooperative endeavor which has the interest and assent, insofar as the hearings are concerned, of the majority leader.

Mr. President—  
The PRESIDING OFFICER. The Senator from Minnesota.

#### FOREIGN POLICY IN INDIA

Mr. HUMPHREY. Mr. President, the American people are very concerned over the direction of our foreign policy in India. There appeared in the Minneapolis Tribune of April 10 an editorial entitled "India Often on Our Side." It answers many questions.

I ask unanimous consent to have the editorial printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

##### INDIA OFTEN ON OUR SIDE

Like many other Americans, we often criticize the Indian Government and Prime Minister Nehru for appearing to be "neutral in favor of the Soviet Union" in disputes between the Free World and the U. S. S. R.

Just Wednesday, Prime Minister Nehru of India said that acceptance of both President Eisenhower's atoms-for-peace proposal and Russia's plan for banning nuclear tests would help ease world tensions. Once again India

is taking a middle road between the United States and U. S. S. R., a position that does not satisfy many Americans.

Yet Ambassador Lodge, the United States representative to the United Nations, recently pointed out that in the past 5 years India and the United States have voted the same way on 45 major rollcalls in the U. N. General Assembly.

"They have included," Ambassador Lodge said, "resolutions on the all-embracing question of disarmament; on the treatment of people of Indian origin in South Africa; on the atoms-for-peace program, in which India played a distinguished part; on the effects of atomic radiation; on Morocco, Tunisia, and Algeria; and, finally, on the Middle East crisis. In that crisis, in which peace hung in the balance, India and the United States voted together on eight separate resolutions and worked together all the way."

As Ambassador Lodge pointed out, disagreements make headlines, while agreements—such as those reached by the United States and India in the United Nations—seldom get as much attention. This stems, in part, from the nature of news. It is more exciting and more interesting when it reflects conflict than when it reflects agreement. News about conflicts also tends to be remembered longer, even though, of course, news stemming from agreements may be as important as—yes; even more important, on some occasions, than news arising from disagreements.

India, of course, is a democracy. It believes in the dignity of the individual, the principles of freedom, the fact that material progress can take place without sacrifice of civil rights, and the view that government exists to serve the people and not the reverse. In other words, both in basic beliefs and on many specific issues, India is on the side of the democracies, and all of us ought to remember that important fact more often.

#### MR. TRUMAN'S VISION

Mr. HUMPHREY. Mr. President, there has been considerable discussion of some of the recent statements of former President Harry S. Truman. There always is discussion as to Mr. Truman's statements.

Recently the Washington Post contained an excellent editorial entitled "Mr. Truman's Vision." I believe the editorial places those statements in proper perspective, and does justice and honor to the former President of the United States.

Mr. President, I ask unanimous consent that the editorial may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

##### MR. TRUMAN'S VISION

It is next to impossible for former President Harry S. Truman to make a nonpolitical statement—and just as impossible for Republicans, it seems, to give him a chance to try it. This circumstance tends to dilute the usefulness of testimony by Mr. Truman on a politically explosive issue like the recession. But for those willing to leave aside the Truman references to "do nothingism" and the carping reminders, from the other side, of Mr. Truman's failure to prevent a 50-percent increase in the cost of living during his White House tenure, there is much wisdom to be found in the former President's testimony yesterday before the House Banking and Currency Committee.

Particularly to the point were Mr. Truman's enjoiners to the Congress to act and plan for an expanding economy. He advocated large increases in both defense and civil



spending, not because this would cure the recession tomorrow, but because there are urgent national needs to be met and because a long-term program to meet them is the indispensable basis for sustained economic growth. Not really forgetting, it would seem, his own reluctance to see taxes cut in 1948, Mr. Truman contented himself with proposing a fairly modest \$5 billion tax cut which he insisted ought to be linked with the plugging of various loopholes that, in his view, would nearly compensate for the reductions granted to low- and middle-income taxpayers. Whatever the practical chances of enactment, such a package would have considerable appeal—and it would not invite the inflationary perils of a much larger straight tax cut.

Mr. Truman's call for a bigger budget was perhaps the most significant part of his testimony. It would be unfortunate if his suggestion of modest tax reduction and reform were permitted to obscure this more important aspect of his advice. He would have Congress provide \$3 billion more for defense starting next year and \$5 billion more annually by 1964—not as much as the Gaither report recommended, but enough to support a badly needed expansion of conventional and tactical nuclear forces and to accelerate military research. His proposal for an immediate 50-percent increase in foreign economic aid and an eventual outlay of \$2.5 billion annually for this purpose is equally important, and, like defense spending, has its justification in something far more fundamental than the present business recession.

Similarly, the higher outlays he urges for education, public health, and public assistance programs are part and parcel of any realistic concept of an expanding economy and a growing population, and a refreshing emphasis after the years of near obsession in the Republican administration with cutting off needed future growth in these basic Federal services. Mr. Truman's economics may be as fallible as the next former President's; but his large view of the Nation's destiny, its needs, its capabilities is, just now, exactly what the country needs to hear.

#### FARM PRICE SUPPORT FREEZE RESOLUTION

Mr. HUMPHREY. Mr. President, Minnesota farmers and Minnesota editors are deeply concerned over the President's recent veto of the so-called farm price support freeze resolution.

One of the most thoughtful editorials on this subject was written by Mr. Marty McGowan, editor and publisher of the Appleton Press.

It is worthy of the attention of every Member of Congress. It is a factual, objective analysis of the President's action and what the Congress ought to do on the farm resolution.

It is a resolution which should be brought to the attention of the Senate Committee on Agriculture and Forestry, which committee will be holding hearings as to the President's veto, at the suggestion of the majority leader.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THOUGHTS ON FARMER THAW VERSUS FREEZE  
According to the veto message from the White House, farmers need a thaw, not a freeze.

With these headline-catching words, worthy of some Madison Avenue ad writer, President Eisenhower turned back to the

Senate without his signature the bill to put a floor at 1957 levels under most 1958 price supports and 1958-59 acreage allotments.

Why? Because, he said, if accepted the bill would (1) pile up more farm surpluses, (2) prevent market growth, (3) postpone the deliverance of farmers from strait-jacket controls, (4) bypass the small farmer with little to sell, (5) delay the transition (mostly downward) to modern parity, and (6) break faith with the wheatgrowers who had already signed 1958 acreage reserve contracts.

The President also justified his action because of a temporary price improvement, due mostly to weather factors. But even with the supply cuts, livestock remained below full parity, and corn was bringing only 57 percent of parity while other feed grains scarcely averaged 65 percent.

Both farmers and Farm Belt Congressmen had plenty of answers for the President's arguments; some were uttered with heated emphasis in the Capitol Chambers within minutes after the veto message was received. They were not charmed with the idea that farmers should be "melted down" any further.

But there was a kind of weariness, too, in the responses of the lawmakers. There they saw again the same tired, old Benson reasoning that had been so shamelessly used in the veto message of 1956.

And what did the President think would be better? First, do what was requested in January. Give Secretary Benson the authority to (1) set prices as low as 60 percent of parity, (2) ditch corn allotments entirely and support everybody's production, (3) boost other acreage allotments by as much as 50 percent, (4) refuse to raise price supports when supplies go down, (5) move more surplus stocks abroad, and (6) gear cotton price supports down to the average of the actual crop.

On his own, pending Congressional concurrence on such farm bill revision, the President promised to see that for the rest of 1958 the Government's dairy stocks would mostly be kept out of commercial channels, or at any rate, not sold back at less than 90 percent of parity.

In addition, he said, the administration would revise its export assistant program for cotton, corn, and other feed grains to conform to that which has been followed with wheat for some months past. That is, to fill their foreign contracts, exporters would obtain supplies from the open market henceforth instead of drawing from Commodity Credit stocks.

If the foreign sale involved a loss, USDA's Commodity Credit Corporation would reimburse this difference in the form of commodity from its storage supplies. In this way, it is argued, export business could contribute more effectively to strengthening the open market. On the other hand, of course, it would slow down the reduction of the Government's supplies.

On corn, Benson surprised the Chicago Board of Trade by cutting 4 cents per bushel off the 1958 corn support instead of 10 cents as previously rumored. This level, at 77 percent of parity, is the same as last year. The actual dollars and cents figure—\$1.36 national average—is lower, however, because the transition to modernized parity has not been resumed this year.

The Secretary refuses to answer flatly one question of interest to commercial area producers still wondering whether to comply with the practically unchanged corn acreage allotments: Will there again be a noncompliance loan as in 1956 and 1957? The critics of this type of loan say it had a lot to do with the low compliance rate last year.

#### FARM ABUNDANCE

Mr. HUMPHREY. Mr. President, for nearly 5 years I have been carrying on

a virtual crusade to awaken public interest—and Government interest—in the tremendous opportunities that exist for constructive use of our farm abundance toward strengthening the forces of peace and freedom in the world.

Much of my time as a member of the Senate Committee on Agriculture and Forestry has been devoted to that objective. Time after time, I have outlined my convictions on this floor, in support of expanded efforts in this desirable direction.

I am pleased that we are making progress, slowly but surely.

A most encouraging recent development was a constructive editorial in the mass-circulation Saturday Evening Post, entitled "Our Farm Surplus Could Be an Asset in the Cold War." It is high time more of our major national periodicals recognized this fact, and devoted more attention to what could be done with our abundance—instead of criticizing farmers for producing it.

Mr. President, I am very pleased with the editorial. I wish to commend the editorial staff and the editor of the Saturday Evening Post. I ask unanimous consent to have the editorial from the April 19 issue of the Saturday Evening Post printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### OUR FARM SURPLUS COULD BE AN ASSET IN THE COLD WAR

Since 1950 almost \$10 billion of taxpayers' money has been spent in fruitless efforts to prop up farm prices and to shrink the size of our increasingly productive agriculture—all this at a time when much of the world has been hungry and ill clothed.

The simple truth, of course, is that the best answer to the farm problem lies in finding more customers for the fine products that the American farmer grows with such efficiency. We can't help wondering what would have happened to the "burdensome surpluses" we hear so much about if the \$10 billion had been applied in a bold way to the building of bigger and better markets around the world.

There's more to it than just selling our products at bargain prices. These great stocks of wheat, cotton, vegetable oils, dairy products and the like represent useful, much-needed capital, if put in the right place. They can be used as powerful weapons in the cold war. They can be used as investments to stimulate the progress of backward nations.

We can, if we will, make full use of this obvious truth that one man's surplus is another man's capital. We can do it by "lending" our surpluses to needy countries. And we can, in the long run, expect good returns from such loans.

The mechanism for such a program is in existence. It is the Agricultural Trade Development Act of 1954, Public Law 480, under which the United States Department of Agriculture can sell surpluses to foreign nations for their own currency. The receipts of such sales then can be lent back to the countries in question to finance development projects. The Public Law 480 program has been a highly successful one. To date, it has lent more than \$1,650 million worth of surpluses to 35 nations. That is just a drop in the bucket.

The program needs to be expanded on a bold front, particularly but not exclusively in areas where Soviet Russia is offering to underwrite development work. It might not be a bad idea to divert some of the billions

now being spent in negative efforts at production control into this positive plan for building more and better customers.

Mr. HUMPHREY. Mr. President, as the outgrowth of a full year's study and extensive hearings into operations of Public Law 480, I submitted a comprehensive report to the Senate Committee on Agriculture and Forestry last February. It became the basis of revisions in the law which were enacted by the Senate, in great part, in extending the Public Law 480 authority. Originally available only as a confidential committee print, the report has now been printed and is available for distribution in the hope of encouraging greater interest in and understanding of this effective program.

I intend providing my colleagues with copies, which I am sure they will find useful in understanding what has already been done under Public Law 480, as well as some of the future potential it offers. Additional copies will be available from the Senate Committee on Agriculture and Forestry for those interested. The report is entitled "Food and Fiber as a Force for Freedom."

It is my hope release of the report will also encourage early action on extension of Public Law 480 in the House of Representatives.

Mr. President, I am also pleased to read in trade publications reports that the State Department has had a change of heart on the Public Law 480 program, and is now at long last beginning to accept with less reluctance the importance of food as a weapon in economic warfare.

Now, Mr. President, I desire to address myself to a different subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

#### REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

Mr. HUMPHREY. Mr. President, I take this opportunity to commend the favorable reporting from the Committee on Labor and Public Welfare of S. 2888, a bill to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

There is no question that legislation in this field is needed, and there is no question in my mind but what S. 2888 is a constructive and effective proposal.

Members of the Senate know that I have long been associated with legislation in this field. In previous Congresses I have introduced bills on the subject, the latest of such proposals being S. 1717 in the 84th Congress. On February 1, 1957, I released a statement with regard to the so-called labor racketeering investigation than getting under way.

I ask unanimous consent that the text of that statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT HUMPHREY WITH REGARD TO INVESTIGATION OF LABOR RACKETEERING, FEBRUARY 1, 1957

As a friend of organized labor I wish to see the American labor movement clean, strong,

and responsible. The few who abuse their power or are guilty of corruption, misuse of funds, or any other form of unethical conduct serve only to bring discredit upon the good name and reputation of organized labor. Free unions are a part of the American political, social, and economic structure. It has taken courage, steadfastness of purpose, sacrifice, and great leadership to build the American labor movement. There is no room within its organization for those who would violate their trust.

It is to the everlasting credit and honor of organized labor in America that it has, at all times, been a vigorous opponent of all forms of totalitarianism at home and abroad. It has made significant contributions to the welfare of the American people and to the strength and progress of our political and economic institutions. This honorable history and tradition must not be forgotten when charges and allegations of racketeering and corruption hit the headlines and attract public notice.

During the 82d Congress, as chairman of the Subcommittee on Labor and Labor-Management Relations, I served as chairman of subcommittee hearings aimed at exposing and eliminating Communist influence or domination in labor unions. In that inquiry I had the wholehearted cooperation of organized labor and its leadership. That the same kind of cooperation will be forthcoming in the prospective investigation of racketeering is clear from the position just adopted by the AFL-CIO executive council.

In recent years I too have had a deep concern about the protection and care of union welfare funds. Literally millions of dollars of the funds belonging to employees and union members have been entrusted to union officials for safekeeping and proper investment. Fortunately most of these funds, indeed the vast majority, have been guarded with zeal, honor, and integrity. There have been charges, however, of some abuse and misuse of such funds. Therefore, I introduced legislation in 1954 aimed at trying to eliminate abuses and misuse of such funds and have been pressing for Congressional action on this important area of labor-management relations.

Racketeering, corruption, abuse of power, or subversion are wrong wherever they are found, be it in labor, business, government, or any other institution of our society. I am pleased to see the friendly response of the responsible national leaders of organized labor concerning the plans of the Senate to make a thorough investigation of the charges of racketeering and corruption. It is our joint responsibility to keep this inquiry objective and not to permit it to become an anti-labor sounding board. The inquiry should be centered upon the real abuse and those few who may be guilty of violating their trust.

Mr. HUMPHREY. Mr. President, I commend the Committee on Labor and Public Welfare for reporting a bill which is as sane, balanced, and constructive as S. 2888. The committee has given this measure the most thorough consideration. As far as I am concerned, I would deeply regret any weakening or frustration of the purposes of this bill through extraneous amendments or any other such devices. I hope S. 2888 may be speedily passed without any twisting or distortion or any amendments which may in any way violate or injure its purposes.

#### THE NEED FOR A TAX CUT

Mr. YARBOROUGH. Mr. President, an excellent analysis of the recently issued Rockefeller report on the American

economy, its potentials and its problems, was written by the very able Richard L. Strout and appeared on the front page of the Christian Science Monitor of Monday, April 21, 1958.

A little over one month ago an attempt to raise the personal income tax exemption from \$600 to \$800 was defeated in the Senate. This amendment, sponsored by the Senator from Oregon [Mr. MORSE], the junior Senator from Wisconsin [Mr. PROXMIER], and the junior Senator from Texas, was opposed by those who cried "politics."

I think it very interesting to note the introductory paragraph to Mr. Strout's informative and keenly analytical article:

One more big nonpartisan, nongovernment organization has come down on the side of a tax cut to meet the current recession: this one the Rockefeller Brothers Funds.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD the article entitled "Rockefeller Panel Joins in—Tax-Cut Chorus Augmented," by Richard L. Strout, which appeared in the Christian Science Monitor of Monday, April 21, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### ROCKEFELLER PANEL JOINS IN—TAX-CUT CHORUS AUGMENTED (By Richard L. Strout)

WASHINGTON.—One more big nonpartisan, nongovernment organization has come down on the side of a tax cut to meet the current recession: this one the Rockefeller Brothers Fund.

Ironically, the fund's report is forced to deal with the recession in a report the great body of which is devoted to emphasizing the crucial importance of maximum growth in the next 10 years to America's safety and well-being.

The report did not specify the amount of the proposed tax cut, but in a TV interview Nelson Rockefeller said something "in the order of five to seven billion dollars" was intended.

Simultaneously, Secretary of Commerce Sinclair Weeks said he believed the recession had touched bottom.

#### GROWTH TREND CITED

New York's Gov. Averell Harriman testified here on the contrary that the recession threatens America's foreign policy unless quickly remedied.

The heart of the 104-page Rockefeller report is the thesis that there are few problems the United States cannot solve in the next decade if it can increase its national rate of growth expressed in terms of gross national product (combined output of goods and services) to a rate of 5 percent a year.

From 1870 to 1930 the growth trend averaged 3 percent a year.

In the past decade the rate has followed a 4 percent upward trend.

Now, says the report, composed of a distinguished panel of 17 economists, bankers, businessmen, and industrial relations experts, "a growth of 5 percent is possible if we realize fully our impressive opportunities for economic expression."

The object of the impressive report, which is part of the "America at Mid-Century Series" financed by the Rockefeller Brothers Fund, Inc., is to spur the Nation on to maximum productivity by showing in practical and inspiring terms the fruits of such expression at a period only 10 years hence.



## PROSPECTS GRAPHED

For example, the 1957 base rate of a \$434 billion GNP (gross national product) will have increased to \$538 billion in 1967 at a 3-percent expansion; \$642 billion at a 4-percent rate; and \$707 billion at the possible 5-percent rate. This is an estimated difference of \$124 billion a year between the 3-percent and 5-percent rates.

With a productivity of 5 percent, the report says, there could be tax reduction; the chance of inflation would be reduced by the flow of goods; and all the mighty panoply of national needs—from greater defense security to better schools and homes—would be more easily fulfilled.

Like the head of a family telling the household of the benefits to be derived by all pitching in and working hard in the next 10 years, the Rockefeller panel lists the startling national possibilities.

Unfortunately it first had to dispose of the current recession which instead of accelerating national productivity is dangerously diminishing it.

While the panel is issuing its report, estimates from the President's Council of Economic Advisers showed current output of goods and services is down to an annual rate of \$424 billion—\$16 billion less than the boom peak of the third quarter of last year and \$8.6 billion less than the final quarter.

The panel recommended an immediate tax cut which the Eisenhower administration has heretofore hesitated to take.

Government's part in meeting the recession, according to the panel, should be (a) a general tax reduction in personal and corporate income taxes; (b) a faster rate of depreciation for business to stimulate capital improvements; and (c) accelerated public works.

The panel also urged the Federal Reserve Board to relax its credit policies still further.

## DISCOUNT RATE CUT

As though anticipating the report, the Reserve Board April 18 lowered the discount rate to 1½ percent, the fourth reduction in less than 6 months. As recently as November, the rate stood at 3½ percent. The Board's action seemed to imply that it, too, now agreed with critics that its previous cuts had been inadequate and that the real danger to the country is recession, not inflation.

The following groups have now urged the administration to cut taxes: The Rockefeller panel, the Chamber of Commerce of the United States, the National Association of Manufacturers, the Committee for Economic Development, the Association of State Chambers of Commerce, the National Planning Association, and union organizations.

## BURNS HAND SEEN

Against this, voices such as that of Bernard Baruch have warned against inflationary dangers of an unbalanced budget. Mr. Baruch asked that taxes be increased.

The report shows the influence of panel member Arthur F. Burns, president of the National Bureau of Economic Research and formerly Chairman of Mr. Eisenhower's Council of Economic Advisers.

On the panel were Devereux C. Josephs, chairman, New York Life Insurance Co.; William F. Butler, vice president of the Chase Manhattan Bank; J. Cameron Thomson, chairman of the Northwest Bancorporation; Frazer B. Wilde; Thomas B. McCabe, president of the Scott Paper Co., and former Chairman of the Board of Governors of the Federal Reserve System, and others.

Mr. HUMPHREY. Mr. President, will the Senator yield to me for an observation, and permit me to ask unanimous consent to have certain articles and an editorial printed in the RECORD at this point?

Mr. YARBOROUGH. I am delighted to yield for that purpose.

Mr. HUMPHREY. Mr. President, in the Washington Post of April 23 there appears an excellent article by J. A. Livingston on the recently issued report by the Rockefeller Brothers Fund.

The real significance of this report, Mr. Livingston writes, is not in its suggestions as to how we can cure the current recession, but rather in its acceptance of the idea that Government programs are a necessary and positive force in the economic growth of our country. Mr. Livingston states:

Government can't take a back seat. That, the report accepts. That's its mark. The panel is not afraid of big government, if it's good government.

I ask unanimous consent that this excellent article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 23, 1958]  
ROCKEFELLER REPORT IS ECONOMIC MILESTONE  
(By J. A. Livingston)

Five, ten, or twenty years from now, if the report of the Rockefeller panel on the American economy is remembered at all, it won't be for its treatment of, its remedy for, the current recession. That is but a minor aspect of the document, an aspect about which there can be dispute.

The newspapers almost invariably accented the panel's reserved, even weasel-worded, reference to a tax cut, as if it were the only way to create employment and foster recovery. What the report actually said was this:

"Of the antirecession measures available to the Federal Government, tax reduction can be effective in the shortest time. Properly designed, it can have an immediate impact on both consumption and investment.

"The panel believes that a tax cut would help overcome the current recession and expand employment. The precise amount should be determined by the administration and Congress . . . when the tax cut is made."

Nelson A. Rockefeller, who is chairman of the overall project, which embraces studies on defense, economic development, social welfare, said he was for an immediate cut on a Meet-the-Press panel. But Thomas B. McCabe, chairman of the panel, and 1 or 2 other members, including me, counseled temporizing on the theory that if this were actually the bottom of the recession, a tax cut might only generate another inflationary upswing, prevent price adjustments, and encourage high-wage settlements in pending labor-management negotiations.

When this recession ends—as it will—what social scientists and historians will see in this report is not its recession mindedness, but its looking forwardness. If this report had been published in 1928, it would have been called visionary, socialistic. That it could be issued today under a Rockefeller aegis and be sponsored by business and financial executives as well as publishers, editors, economists, university presidents, and college professors gives it milestone significance.

Norman Thomas, who, in 1928, first ran as the Socialist candidate for President, would extol many of its doctrines. If he reads this report, Mr. Thomas could say, "In six tries, I never won an election, but I've won the war."

The Rockefeller panel discards the notion that the least government is the best government, saying: "In general, our national objective would be best served by maximizing

the area of individual choice. Yet it is important to consider carefully the relative advantages of increased Government programs . . . Certain Government programs may contribute more to the general well-being than the private expenditures that have to be foregone."

The report projects a rise in Federal, State, and local outlays from the present level of \$114 billion annually to between \$171 and \$203 billion by 1967. American citizens—you and I in collective ventures—will spend through Government from \$60 to \$70 billion in 1967 on national security, as compared with \$46 billion now. Our outlays on education, including school construction, could easily double. Outlays on welfare, including health, will more than double.

But only if industry expands, develops, strives—only if business produces more goods and services, will you and I be able to attain the social and economic objectives the panel considers desirable and necessary. We can't tax what people don't produce.

If we are to cope with complex problems, such as migration of Negroes and Puerto Ricans into large cities, the correction of blight in urban areas, the development of highways and thoroughways, the expansion of medical, educational, and recreational facilities, the assurance of a continuing supply of raw materials to a rising population, and solve the mysteries of science in an atomic age—if we are to do all that and carry on an untiring quest for peace and freedom throughout the world and raise the standard of living everywhere—then the Federal Government will have to use its monetary, fiscal, and economic power to foster industrial enterprise and national growth.

Government can't take a back seat. That, the report accepts. That's its mark. The panel is not afraid of big government if it's good government.

Mr. HUMPHREY. Mr. President, I also call attention to an editorial from the Washington Post of April 23, 1958, which points out that there are two sides to the question of cutting taxes to fight the recession. While admitting that there is a risk involved in cutting taxes in view of the anticipated deficit in 1959, the Post points out that there is also another risk, namely, that the deficit might well turn out to be vastly greater—without a tax cut—if the recession should continue in its downward spiral.

I ask unanimous consent that this editorial be inserted at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 23, 1958]  
MINUS \$10 BILLION?

It is not surprising to find William McChesney Martin, Jr., the Chairman of the Federal Reserve Board, on the side of those within the administration who oppose an antirecession tax cut at this time. For it is the Federal Reserve System which must bear the main burden of fighting any renewed inflationary pressures which the large deficits now in prospect for this year and next could generate. Mr. Martin places the probable fiscal 1959 deficit at \$10 billion, without a tax cut. He says that he is unwilling to "run the risk of a greater deficit" by reducing taxes until present uncertain trends clear up.

But there is, of course, another risk. That is that the 1959 deficit could be vastly greater—without a tax cut—if the recession should degenerate into a downward spiral of consumer income and spending. A tax cut might not induce economic recovery, but if it did, next year's Treasury receipts

could be considerably greater than now expected even with temporarily lower rates. Thus the question is not one of simple plus-and-minus arithmetic, as Mr. Martin of course knows. We share his view that what is needed is a recovery that will last. We also believe that this country cannot, in the present state of world affairs, tolerate a recession that lasts.

Mr. HUMPHREY. I also ask unanimous consent that 3 articles from the April 22 Wall Street Journal be printed in the RECORD. These articles report that business failures in the latest week rose to 346, compared to 342 in the preceding week and 302 a year ago, and that steel production this week is expected to show a further decline to only 46.8 percent of capacity—the lowest output figure for a nonstrike period since the week of July 5, 1949.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of April 22, 1958]

#### BUSINESS FAILURES CONTINUED RISE OVER 1957 IN LATEST WEEK

NEW YORK.—Commercial and industrial failures rose to 346 in the week ended April 17 from 342 in the preceding week, Dun & Bradstreet, Inc., reported.

Business casualties ran above the level for the previous years for the 13th consecutive week, exceeding the 302 for the like week in 1957 and the 252 in the like week of 1956. Failures were 9 percent higher than the pre-war week's total of 316 in 1939.

Retailing accounted for all of the week-to-week increase, with casualties in this group climbing to 190 from 159. On the other hand, according to Dun & Bradstreet, failures of manufacturers declined from 59 to 50, of wholesalers from 36 to 33, of construction contractors from 55 to 52, and of service concerns from 33 to 21.

#### STEEL OUTPUT EXPECTED TO DECLINE THIS WEEK FOR SIXTH STRAIGHT PERIOD—PRODUCTION OF 1,265,000 TONS WOULD BE LOWEST FOR NONSTRIKE PERIOD SINCE JULY 5, 1949

NEW YORK.—Steel production once again last week was slightly above the industry's forecast for the period, but is scheduled this week to recede further to another new 8¼-year low for a nonstrike period.

The American Iron and Steel Institute estimated that steel mills in the week started yesterday will turn out 1,265,000 tons. The institute does not report an operating rate in connection with the forecast, but the prediction figures out to 46.8 percent of rated 1958 capacity. Such output would be the lowest for a nonstrike period since the week ended July 5, 1949, when an estimated 1,128,200 tons were produced. It also would mark the sixth straight week of decline.

Last week, the industry produced 1,285,000 tons of steel, equal to 47.6 percent of capacity, which is figured at 140,742,570 tons annually. Output had been forecast for last week at 1,283,000 tons, indicating a 47.5 percent rate.

The institute estimates steel production for the week started April 21 as follows:

	Net tons product	Index of 1947-49
This week.....	1,265,000	78.7
Actual last week.....	1,285,000	80.0
Actual month ago.....	1,366,000	85.0
Actual year ago.....	2,269,000	141.2

The index of production is based on the average weekly production for 1947-49. The average annual production for the 3 years was 83,837,572 tons. The average weekly output was 1,606,377 tons.

U. S. STEEL UNITS TO SHUT DOWN  
SAN FRANCISCO.—U. S. Steel Corp.'s Columbia-Geneva steel division announced it will shut down its Torrance, Calif., rolling mill in late June for a 2-week vacation. At the same time open hearth furnaces in Torrance will be closed for 3 weeks.

The two rolling mill departments, which employ some 700 workers and turn out small structural items, reinforcing bars and angles, will be closed beginning June 27 and June 28 to July 13 and resume operations July 14. The open hearth department, employing 90, will be closed from midnight, June 28, to midnight, July 20. The company announced that all employees with the exception of minimum crews in maintenance, shipping and industrial relations will take their annual vacations during this period.

The division is currently operating only 2 of its 4 open hearth furnaces at Torrance. The rolling mill is producing at about 50 percent of rated capacity. Columbia-Geneva also operates facilities at Pittsburgh, Calif., and Geneva and Ironton, Utah.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Without objection, it is so ordered.

#### REDEDICATION TO RESPONSIBILITIES OF FREE CITIZENSHIP

Mr. O'MAHONEY. Mr. President, Calendar 1485, Senate Joint Resolution 159, is a noncontroversial measure unanimously reported by the Senate Judiciary Committee. It would authorize and request the President of the United States to proclaim July 4, 1958, as a day of rededication to the responsibilities of free citizenship.

I have consulted the leadership on both sides, and there is no objection to the joint resolution. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 159) to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States be and hereby is authorized and requested to issue a proclamation, calling upon the people of the United States to make the observance of Independence Day, July 4, 1958, a day of rededication to the responsibilities of free citizenship, with appropriate nationwide ceremonies.

#### UNIVERSITY OF WISCONSIN PREPARES BLUEPRINT FOR MEETING EXPANDING NEEDS IN LIBERAL ARTS EDUCATION AT STATE LEVEL

Mr. WILEY. Mr. President, the attention of our entire Nation is now focused on our educational system. We in Congress have heard the President's request for an accelerated program of training for scientists. Many other plans have been advanced which are designed to bolster our stockpile of scientific brainpower. We all recognize the need for putting more emphasis on scientific training. However, we must bear in mind that this can be done consistently along with a strong continuing program of training in other educational fields. I refer specifically to the program of liberal arts, which includes courses in civics, music, art, languages, literature, the humanities, and other subjects which are of vital importance in assisting our young people in discovering the finest things about their culture and civilization.

In view of the great amount of discussion on what action the Federal Government should take to improve the American system of education with regard to science, I think it is appropriate that I point out the outstanding work which has been done at the State level in Wisconsin with regard to developing a realistic program of training not only in science, but in liberal arts as well.

I have frequently commented on the fine, forward-thinking action by many of Wisconsin's educational institutions. Two excellent examples of this type of action appear in the April issue of Wisconsin Alumnus, the publication of the University of Wisconsin Alumni Association.

This magazine contains two highly significant statements. One, from the State of Wisconsin's coordinating committee for higher education, lists broad principles to guide development of the State's educational resources.

The other, by Wilbur Renk, president of the university's board of regents, examines some specific questions of policy facing the University of Wisconsin. The coordinating committee on higher education and the university's board of regents are outstanding examples of the interest taken by private citizens and public officials in the State in their university. Together with Mr. Renk, the other members of the university governing board have an outstanding record of helping the University of Wisconsin maintain its position of national leadership. I take this opportunity to pay tribute to the other members of this board. They include: Clarke Smith, Ellis E. Jensen, Mrs. Melvin R. Laird, Charles D. Gelatt, Harold Konnak, George E. Watson, A. Matt Werner, Carl Steiger, Oscar Rennebohm, and John D. Jones, Jr.

Although the two articles to which I have referred deal specifically with the University of Wisconsin, the problems they discuss are to be found in almost every institution of higher education in our Nation.



These two worthwhile articles deal with educational problems, not only at the present time, but they take into consideration the problems which will be confronting our university in the years to come. The statements deal with long-range plans and suggestions which are designed to strengthen higher education at the State level, which after all, is where our educational problems should be resolved as far as is humanly possible.

The pressure of world events lends urgency to the mission of American higher education. We must remember that the basic idea of our educational system is diversification. We must not allow ourselves to be pushed or panicked into narrowing the broad background of education which has made our system the greatest in the world.

I believe that the articles will add to the storehouse of important and valuable information upon which our responsibility not only as Senators but as citizens must be based.

In this time, as I have said before, when the world has been shrunk by man's ingenuity, so that it is now possible to travel around it in a few hours, it is well that we stop, look, and listen. We must not let ourselves be panicked into losing our head, so to speak. It is time for us to stop, look, and listen, and think our problems through, particularly the problem of the so-called recession, with its 63 million employed and 5½-million unemployed. It is time for us to think the problem through and make sure that in what we do we do not damage the 63 million who are employed.

I ask unanimous consent that the two statements be included with my remarks in the body of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

**A BLUEPRINT FOR EDUCATIONAL PLANNING IN WISCONSIN—ADOPTED BY WISCONSIN'S COORDINATING COMMITTEE FOR HIGHER EDUCATION, THESE PRINCIPLES WILL HELP GUIDE DEVELOPMENT OF HIGHER EDUCATION IN THE STATE**

If it is to be satisfactory and successful, any coordinated plan for public supported higher education in Wisconsin must be consistent with basic American ideals, and related social, economic and political institutions. It must also meet the challenge of changing conditions.

Education at all levels in America has developed as a part of the American desire for a land of opportunity, of freedom and of justice. The value of education has been generally respected and it has been generously supported. The founders of our Nation clearly recognized that government based on the majority judgments of all the people could not be successful, nor, indeed, long survive without universal education. As the problems facing Government, business and industry have become more complex, the amount of time spent in formal education has increased steadily.

Within the American concept of a State which serves the people, the characteristics of the educational institutions which have arisen are properly quite different from those which have been developed in States founded on the philosophy that people are to serve the State. This belief of the American people in the value of education to the individual and to society has found expression

in the founding and support of a wide variety of both publicly and privately controlled colleges and universities throughout our Nation. The increasing percentage of young people going to college indicates that the American people believe in the value to the young people of more post-high-school education.

Within this broad background it is now necessary to plan for the needs of the people of Wisconsin in the field of higher education as they have been affected by two relatively recent changes of tremendous importance.

The first of these changes has been called a technological revolution. Starting slowly many decades ago and proceeding very rapidly during the last 20 years tremendous technological changes have occurred which have profoundly changed many aspects of our lives, and the future promises still greater changes. Among these changes is an insistent need for more and highly specialized types of education. Larger and larger proportions of college-age youth are asking for additional educational training beyond the high school. And more of the college graduates are asking for graduate or professional training. The end is not yet in sight. In addition, there has been a great increase in the demand for adult education, and for a great expansion of research work.

The machine age calls for more highly trained specialists, but even more insistently it calls for the education of the complete man, in order to develop social, economic, and political measures which will enable our civilization to survive and enable mankind to enjoy the benefits of technology in peace.

The second great change occurring in the last two decades has been the almost explosive growth in population occurring as a result of a much higher birth rate and a somewhat lower death rate. The demands for post-high-school education are certain to grow very rapidly because of the great increase in numbers of college-age youth.

If we are to offer high quality educational opportunities to the much larger numbers of young people needing and wanting post-high-school education, careful planning will be required; planning for the characteristics of the educational programs needed; planning for the best matching of individual abilities and desires with the appropriate educational programs; and planning for the most efficient and economical operation of the educational program.

Such planning is difficult but necessary. It will require study, thought, and consideration by all of our citizens.

Although the prime concern of this committee is with post-high-school education, the committee clearly recognizes that the planning for post-high-school education is only one part of the planning of the total educational program of the State. Many changes in organization and improvements in the programs of our elementary and secondary schools have occurred in recent years. Many other changes are in the planning stage. Plans for post-high-school education must be based upon and correlated with the plans for the elementary and secondary schools. The characteristics and the quality of post-high-school education are profoundly influenced by the characteristics and quality of the elementary and secondary schools.

In the face of rapidly changing conditions, planning must be flexible and continuous, with changes being made promptly as conditions demand. Also, any detailed plan must be based upon and be consistent with general principles which are accepted by the majority of our citizens.

Since its organization in 1955, the Coordinating Committee for Higher Education has recognized the importance of its responsibilities in educational planning for publicly supported higher education.

Much time and thought has been devoted to the formulation of the general principles which should guide it in the development of a plan for the overall educational programs to be offered in the several units of the university and State colleges and in the development of recommendations for legislative action resulting from its studies of the needs of the people of Wisconsin for State-supported higher education (as the statutes put it).

Relatively early in its deliberation, the coordinating committee adopted a report of an ad hoc committee on educational policies. The following quotations from this report are pertinent to this discussion:

"The historical functions of the University of Wisconsin at Madison and of the Wisconsin State colleges shall be maintained.

"Existing liberal arts programs shall be maintained and strengthened at institutions where these programs are now offered.

"Modification of the liberal arts programs if found advisable shall be the responsibility of the existing boards.

"In the liberal arts and teacher-training programs, the educational opportunities shall be extended throughout the State as equally as possible, with recognition that there are special fields of teacher education which must be restricted to a few institutions."

The committee recognized very early in its deliberations that it could not adequately study the needs of the people of Wisconsin for State-supported higher education without the aid and cooperation of many other individuals, groups, and institutions. To secure such aid and cooperation, the committee:

1. Requested the cooperation of the private colleges and universities, vocational and adult education schools, and county teachers colleges. This cooperation has been freely given.

2. Requested President Edwin B. Fred of the university, and Eugene McPhee, secretary of the State college system, to appoint appropriate joint staff committees for the purpose of studying and reporting on certain problems.

3. Appointed a joint staff to gather and present the necessary factual information upon which wise decisions could be based.

A number of reports from the joint staff committee and the joint staff have been presented to the coordination committee. Those needing action have been acted upon. The background and research studies have been carefully considered and together with others now in preparation will form the basis for the development of a coordinated plan for State-supported higher education.

To aid it in the more detailed formulation of plans, the coordinating committee has agreed upon the following statements of general principles and believes that these will have the support of most Wisconsin citizens.

The increasing need for higher education: The evergrowing complexity of civilization, the rapid developments in science and technology, and the enlarging role of the United States in world affairs combine to require better and more education for all citizens. Increasing numbers of Wisconsin's youth will wish and need to continue their education beyond high school graduation in order to achieve their maximum personal development. The future of Wisconsin and the Nation of which it is a part can best be insured by the continuation and extension of its traditional policy of providing diversified types of educational opportunities for the able and ambitious high school graduates who wish to continue their education.

The need for diversity in post-high-school educational opportunities: The need for an informed and wise citizenry in all walks of life and for trained people in a broad range of occupations, coupled with the important

differences in aptitudes, interests, and needs of young people require that there be diversity in types of post-high-school education; diversity in educational objectives; diversity in administrative organization; diversity in the length and content of the programs. Whatever the differences among the several types of educational programs, the students who attend them must be assured an educational opportunity of the highest possible quality.

The need for adequate counseling services: Differences in the aptitudes and interests of young people and the wide range of occupational needs in the State make it important that each young person has wise counsel in the choice of a life vocation and in the selection of an educational course which will prepare for it. A strengthening of the guidance services at all levels of education is needed.

The need for private institutions of higher education: Wisconsin's private institutions of higher education have given distinguished service. These colleges and universities will continue to make valuable contributions to the education of the young people of Wisconsin and elsewhere. Wisconsin needs strong and vigorous institutions of this type. Because of differences in emphasis and program, the presence of these schools extends and enriches the educational opportunities available to Wisconsin youth. The adequate support by the citizens of the State and Nation of the private colleges and universities is vital to the perpetuation of a strong, diversified program of higher education.

The need for appropriate geographic distribution of higher educational opportunities: The American ideal of equal educational opportunities for all has been important to the growth and strength of our country. Adequate training of each young person in accord with his aptitude and desires will provide the basis for a successful and happy life and make it possible for each to make his maximum contribution to the political, social, and economic development of the community, State and Nation. The general welfare of the State will be best served by making it possible for any deserving and qualified youth to continue his education to the level of his ability and ambition. Since the major cost of education to the student occurs when the training must be secured away from his home, the welfare of the student and the State will be best promoted by providing post-high-school educational opportunities as widely over the State as is consistent with sound educational and financial considerations.

The need to keep educational opportunities open for all youth: Public institutions of higher education were established and are maintained because of the traditional American belief in the necessity of an educated citizenry, if the American political, social and economic ideals are to be realized. Fees and tuition have purposely been kept low and should continue to supply only a minor portion of the cost. Students should be expected to pay something toward the cost of their higher education and there is justification in charging somewhat higher fees for the more expensive programs. Fees should not be used as an instrument for controlling the size and character of enrollment in public institutions; rather fees should be kept low enough to maintain an open pathway for all.

Even relatively low fees do not place appropriate higher educational programs within the financial reach of all. Other associated costs are high. As a result many gifted and ambitious young people do not secure the education best suited to them. In order to conserve this talent additional funds are needed for scholarships, loan funds, and work programs.

The need for adult education: With the rapidly changing social, technological, and political conditions of the world, it is de-

sirable and sometimes even necessary that our citizens continue their education throughout their adult life. The public interest is served by public support of appropriate programs of adult education. The rapidly changing conditions in the world today demand that such programs, and the methods used, be studied and modified to insure that the programs and methods best meet the needs of the times.

Public responsibility for adult education has been financially shared by the university and the vocational schools, each serving a different function. In addition several other State departments have less extensive adult education programs. There should be close coordination by all of the groups to insure that the needs of the people are met economically and efficiently. Although the State colleges have no legal responsibility for adult education, the university and the colleges should cooperate in programs of adult education to the extent that they do not weaken the resident instruction programs of the State colleges.

Many desirable adult educational programs can and should be largely if not entirely self-supporting. A strong, vigorous, and timely program of adult education deserves public support, but the individuals served should be expected to defray a considerable part of the total cost.

The need for research: The value of research programs to the public welfare has been demonstrated dramatically during the past two decades. Since the immediate value of research is derived almost entirely from applied research, there is a growing tendency to place more of both Government and private research funds into applied projects in the natural sciences. Unless fundamental or basic research is sharply accelerated, there is danger that applied research will exhaust the storehouse of fundamental information. Equally important is the necessity of more adequate research and scholarly activities in the humanities and social studies. The rapid technological changes of the last few years in the instruments of both war and peace, have placed great strains on the economic, political, social, and cultural systems which have evolved over the centuries. An expansion of research and scholarly activities in the humanities and social studies is needed in order to determine the effects on the individual and society of the rapid technological changes, and to provide an adequate fulfillment background upon which can be developed better ways of living with ourselves and with others.

Fundamental research and scholarly activities have long been an important activity of colleges and universities both because the individual with a scholarly mind has been attracted to collegiate teaching, and because the successful collegiate teacher finds it necessary to keep mentally alert and active. The university has long been recognized as the research arm of the State, and organized research programs should continue to be concentrated in the university. However, research and scholarly activities in all fields of human endeavor should be encouraged in all the faculty members of both the university and the State colleges.

The expenditure of public funds for research and scholarly activities in all fields is in the public interest and should be expanded. However, every effort should be made to encourage the receipt of private gifts and grants for such usage.

#### WHAT FACES THE UNIVERSITY OF WISCONSIN TOMORROW?

(By Wilbur N. Renk, president, University of Wisconsin Board of Regents)

The experience of yesterday, the research of today, and our hopes for tomorrow demand that we continually examine our university to keep it in the forefront of educational leadership.

As president of the board of regents, I have felt the need to communicate to you who are devoted to the university some of the decisions that face the people responsible for the course our institution will take.

What size should the University of Wisconsin at Madison be?

Today the Madison campus has an enrollment of 16,000. Can it go up to 30,000 students? There are champions of a big enrollment, with the sky the limit. Others believe the enrollment should be curtailed. In my opinion, we can run a distinguished university with an enrollment of 25,000 students. I'm afraid that if the enrollment gets larger than this, the quality will deteriorate.

How can we develop flexibility within the university?

We need more flexibility in programs, in ideas, in buildings. If we have this flexibility, then we can roll with the punches of both inflation and deflation.

How can we improve our academic standing?

Wisconsin now has a very fine rating, but we all want to improve. Some departments may be stronger than others. We must continually try to strengthen a weak department by acquiring outside professors to breathe new ideas into a department. We, as regents, are obliged to show the understanding and the courage to make changes when changes are necessary?

How can we maintain balance in the university?

A public university is established for three reasons: to teach, to conduct research, and to contribute public service. The correct balance should be maintained, remembering that our first purpose is the teaching of young people so that they can be assets to their community and their State.

How can we improve teaching methods?

We must continue to improve our teaching, either through new techniques or new means. An example is TV. The methods of teaching today are about the same as they were in my time. We teach automation for industry and agriculture, but we don't have it in education. Can automation be applied beneficially to education? Perhaps it can.

How can we get the most out of our blue ribbon professors?

It is important that our world-famous professors do some teaching of undergrads, especially freshmen and sophomores. They provide the inspiration for these youngsters to become researchers and teachers, and contact with these youngsters continually brings the professors a fresh point of view. There is a natural tendency for the good teachers to gravitate to the graduate school, but they should not lose contact completely with younger minds.

What about restrictions on out-of-State students?

Today there are 55,744 students attending colleges and universities (both private and public) in Wisconsin. There are 10,967 Wisconsin residents attending schools in other States while only 8,469 out-of-State students attend Wisconsin colleges and universities. As you can see, in this respect we are a debtor State. More college students are going out-of-State than are coming into Wisconsin. A great deal has been said about barring out-of-State students. These students pay \$550 tuition contrasted with \$200 by State students.

A person is educated in two ways—by studying books and by association with other minds. The wider the association, the broader the education. I hope that we will exhaust every other possibility before we bar out-of-State students.

Should fees go up? Or down?

Historically, the resident Wisconsin student has paid about 20 percent of his educational cost in fees. Some want it higher, some lower. I believe the present percentage is about right.



What about our building program?

The location and size of the buildings will have to be predicated on the answer to the first question: How big should the university be?

Should we provide more low-cost dormitories?

This means dormitories which will not amortize themselves, so they need a subsidy. Remember, dormitories bring the university to the boy of Durand or the girl of Lancaster. Modest rental dormitories bring within reach an education for many whose means are limited. All the rich are not born smart, nor all the poor born dumb.

How can we best serve an expanding Wisconsin industry?

The future of the State of Wisconsin is tied up with the expansion of industry. Therefore, our engineering college should get major attention to develop its research and public arms so that it has as close a working relationship with industry as the college of agriculture has with the farmer.

How should we keep agricultural research up-to-date?

Applied agricultural research has been largely directed toward increasing production. The value of our applied agricultural research today for agriculture and the country can best be made in the direction of research for consumption, new uses, new methods, and new ways of consuming our surpluses.

These are some of the policy questions the regents, with the university administration, will have to answer sooner or later. The decisions will affect higher education in all its facets. You can rest assured that the decisions will be made after due deliberation and with these two questions in mind—what is best for the student and what is best for the university and the State of Wisconsin?

Mr. AIKEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE LANGUAGE SPECIALIST: KEY LINK IN PROMOTING UNITED STATES POLICY

Mr. KEFAUVER. Mr. President, like many Members of the Congress, I have had the honor of representing the United States abroad as a delegate to international conferences. In Washington, I have frequently met with foreign officials visiting this nation as guests of our Government. On all these occasions, accurate, and meaningful communication between representatives of this and other countries has been of crucial importance.

I have never failed to be impressed with the work of a handful of highly skilled professionals, without whose valuable services such meetings and discussions would bog down in confusion.

I refer to the interpreters and translators who have the responsibility for communicating American policies, positions, and attitudes to other governments and peoples through the complex barriers of language. There is a delicate assignment of sometimes awesome responsibility which demands a high degree of professional skill and complete

dedication to the best interests of the United States and its citizens.

Truly, language specialists are playing an increasingly important role in the cultural, economic, and international affairs of the Nation. But in a land of highly-paid workers protected by liberal social benefits, they are largely unrecognized.

Except for a comparative few who work full-time for large international corporations or the Federal Government, language specialists lead a precarious existence, subject to seasonal employment, the whims of employers, and cut-rate competition from the unqualified.

One reason is that theirs is a comparatively new profession in the United States. Another is the fact that the very nature of their work isolates them from one another. A third, paradoxically, is the fact that there are so few thoroughly qualified language specialists. The law of supply and demand has not always operated to their benefit, because the unknowing employer sometimes attempts to meet his needs for scarce language talent by taking on individuals at low rates whose proficiency he is usually not competent to verify—to his later sorrow and the detriment of the language profession.

In the final analysis, however, the principal reason for lack of recognition has simply been the absence of an organization to fight for the welfare of all language specialists.

I am pleased to inform the Senate that many competent persons have now joined to obtain greater recognition for all language specialists, and to work for the improvement of a highly-skilled profession. Their organization is called The Interpreters' Guild, and they have been granted a charter by the AFL-CIO, with authority to represent language specialists in this country and Canada.

The Interpreters' Guild is unique in many ways. To qualify, members must possess, in addition to language skills, a broad educational and cultural background which will permit them to work intelligently and effectively with individuals representing a variety of nationalities and points of view. They deal, on a day-to-day basis, with complicated and exacting subjects ranging from cold-war diplomacy through medicine, international law, labor relations, industrial production, nuclear energy, and contemporary music, to archeology and semantics.

The guild's membership includes former journalists and diplomats, lawyers, teachers, political scientists, retired military officers, editors, and even an atomic scientist. Many of its members who are not native-born citizens have amply demonstrated their faith in America by becoming citizens the hard way, through the long process of naturalization.

Since many members of the new guild work on a contractual basis with the International Cooperation Administration, it is appropriate that the guild's first official act was to present the terms of a proposed new contract to ICA.

The guild's proposals embody demands voiced frequently by a majority of interpreters handling ICA assignments and

are aimed at correcting conditions which have long been unsatisfactory to the interpreters. They cover rates of pay, a fair system of assignment, and general working arrangements.

The guild believes that its proposals are fair, and are justified by past experiences of individual interpreters. Guild spokesmen say they have every reason to believe that their proposals are being favorably considered by ICA.

The progress of these discussions will be followed with great interest in Congress, whose many Members share an alert concern for the operation of the tax-supported ICA program at maximum efficiency.

In view of the pending discussions with an agency of the United States Government, I call attention to a statement of policy by the Interpreters' Guild which sets forth the attitude of its membership toward Government employment. It strikes me as a singularly mature expression of responsibility and devotion to duty on the part of a group of people who are dedicated to the best interests of the United States.

The statement is entitled "The Language Specialist: Key Link in Promoting United States Policy," and is published in the first issue of the new organization's monthly newsletter, the Guild Interpreter. I ask unanimous consent that the statement be printed in the body of the Record, following these remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

#### THE LANGUAGE SPECIALISTS KEY LINK IN PROMOTING UNITED STATES POLICY

In the free world's struggle for survival against a resourceful and implacable Communist enemy, full communication—whether between foreign offices or people-to-people—has become a vital arm of United States' foreign and defense policy.

Yet the accurate and meaningful communication of American thought and intent from one idiom into another rests in the hands of an exceedingly small number of language specialists. The translator or interpreter who works with the United States Government, therefore, occupies a unique position of extreme sensitivity and highly demanding responsibility.

The guild firmly believes that the United States Government cannot afford to be served by language specialists who do not meet the highest possible professional, ethical and personal standards.

This belief is based on far more than professional pride. We feel—

That language specialists working with the United States Government have a duty to ensure that American policies, positions and attitudes are communicated to other governments and peoples with maximum accuracy and in the most favorable light.

That language specialists paid out of United States tax funds must be concerned lest any part of the vast sums being spent on programs associated with United States foreign and defense policy be wasted, or that the success of these programs be jeopardized, by faulty or inadequate communication.

Many guildsmen work regularly or on a contract basis with the Government. Other members, present and future, may be considered for similar work. The guild desires to place on record the standards which job candidates are expected to meet before the guild can recommend them for Government employment. (Particularly the Department

of State, the International Cooperation Administration and the United States Information Agency). Applicants must demonstrate that—

They have professional language competence which will meet requirements equal to those established by the Language Division, Department of State.

They possess educational, cultural and professional backgrounds which will qualify them to work constructively and intelligently with representatives of this and other countries while on assignment.

They have no political affiliations which are inimical to the best interests of the United States and/or the guild.

Their personal conduct and associations are not such as to reflect discredit upon the United States and/or the guild.

These guild standards, of course, parallel normal United States Government requirements. In addition, however, the guild believes that language specialists, particularly those assigned as interpreters to ICA teams of foreign participants visiting this country for the first time, should—

Have sufficient knowledge of the United States, its political, economic and cultural institutions, to explain and interpret them adequately to foreign visitors.

Be so familiar with the attitudes, aims and aspirations of the American people that they can communicate them accurately to foreign visitors.

The interpreter is usually the sole means of communication between ICA team participants and the Government and private agencies they deal with daily as official guests of this country. Although it is not always recognized officially, it is no secret that the success or failure of an ICA team depends to a very large degree upon the capabilities and resourcefulness of the interpreter.

Language competence and personal integrity obviously are not sufficient to qualify an individual as an ICA team interpreter. ICA team participants are not well served by an interpreter whose familiarity with this country, its people and institutions, is no more knowledgeable than their own, and who may, instinctively, share many of their own erroneous preconceptions and prejudices. Clearly, the best interests of the United States are not well served if that vital link between this country and its foreign visitors—the interpreter—is inadequate or uninformed.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Church in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### UNEMPLOYMENT COMPENSATION

Mr. ALLOTT. Mr. President, the unrealistic unemployment compensation bill reported in the House will delay, perhaps indefinitely, assistance to the half-million workers whose unemployment insurance has expired.

The President sent his emergency bill to the Congress on March 25. On March 31, the Labor Department reported that 481,712 workers had used up their benefits. Undoubtedly more benefits have expired since that time.

After a month's delay, however, House Democrats now have rammed through a political plan which would disrupt the

unemployment-insurance program and would involve a basic philosophical change in this established program.

Most of us could agree speedily on a temporary extension of an existing program to meet a temporary situation. As the President said on April 13, in again urging action, this is not a matter of cold statistics. It involves human beings who need assistance of their Government and need it right now.

Many Members of the Congress, however, will have serious questions about any hastily prepared general bill which would push an established program into entirely new fields.

This should not be a matter of politics. It is a matter of Americans who need help today. Let us avoid time-consuming controversy and enact as speedily as possible the President's plan to use the existing program to provide emergency aid.

Once this is provided, the Congress then can consider whether it wants to make drastic revisions in the established program. But, I fear that unless level-headedness prevails, the \$1.5 billion Democrat bill might just prove to be political pie in the sky which will never reach those who need help.

The President's program, carefully worked out with State governors, involves no new "gimmicks." It could be enacted without delay.

The leadership has said on many occasions that the recession would be handled on a bipartisan basis so that human misfortune is not made a pawn of political jockeying.

The matter of expired unemployment insurance gives the leadership a good chance to demonstrate bipartisanship and to prove that the frequently heard phrase "sense of urgency" is not just a political slogan.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TAX CUTS AND WORKS, TOO

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Tax Cuts and Works, Too," published in the April 17, 1958, issue of the Oregon Democrat, in which the editor, Mr. John R. Churchill, one of the outstanding Democrats in the State of Oregon, says, in part:

Large increases in public works are also needed, but it takes time to spend additional appropriations efficiently. Reduction and elimination of many excise taxes, including the 3-percent Federal freight tax which discriminates against Oregon and the West, should also be a part of the tax-reduction program.

A program of immediate tax reduction strictly limited in its duration to the unemployment emergency combined with a considerable increase in public works is not irresponsible. We join with Arthur Burns,

former chief economic adviser to President Eisenhower; Leon Keyserling, former economic adviser to President Truman; the conservative National Planning Association; and the Committee for Economic Development in advocating immediate tax cuts and public works, too.

I ask unanimous consent that the entire editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### TAX CUTS AND WORKS, TOO

Don't be fooled by recent rosy interpretations of changes in unemployment figures. The facts are that while March employment showed a slight improvement over February, the increase was in no way comparable with last year.

During 10 of the last 11 years unemployment decreased an average of 170,000 between February and March. In 1958 unemployment went up 25,000. Of great importance and concern to many families is the fact that the number unemployed for over 15 weeks increased by 26 percent in the February-March period to hit a new postwar high.

This means only one thing—that the normal spring increase in job opportunities has had only a slight impact on the steadily deteriorating recession.

Action is needed. We favor an immediate cut of income taxes which will increase the buying power of American consumers. This is the only action that can have immediate effect. In previous periods of economic distress the administration and Congress have acted too little and too late. Action now can prevent further declines in income and employment and stop a depression. When things get really bad it is necessary to spend large sums and drastically cut taxes to effectuate a recovery.

Large increases in public works are also needed, but it takes time to spend additional appropriations efficiently. Reduction and elimination of many excise taxes including the 3 percent Federal freight tax which discriminates against Oregon and the West should also be a part of the tax reduction program.

A program of immediate tax reduction strictly limited in its duration to the unemployment emergency combined with a considerable increase in public works is not irresponsible. We join with Arthur Burns, former chief economic adviser to President Eisenhower; Leon Keyserling, former economic adviser to President Truman; the conservative National Planning Association, and the Committee for Economic Development in advocating immediate tax cuts and public works, too.

Mr. MORSE. Mr. President, I place the editorial in the RECORD, because it shows that there are those in my State who share the point of view which I have been urging on the floor of the Senate for some weeks past, namely, a tax cut along the lines of the Douglas amendment; a tax cut which would give a tax benefit to all taxpayers; a tax cut which would eliminate many of the excise taxes, and substantially reduce the others; and a tax cut along the lines of the Yarborough-Proxmire-Morse proposal, which would raise the personal income tax exemption from \$600 to \$800.

I am delighted to note in the RECORD that since our action on the Yarborough-Proxmire-Morse amendment, on which we were defeated some days ago, before the Easter vacation, the Senator from Montana [Mr. MANSFIELD] has introduced a bill which, if I correctly under-



stand it, has the same tax reduction objective.

As the Oregon Democrat, a Democratic newspaper in our State, has pointed out, I have also stood for a public works program. As I have said so many times in my State and here, I happen to be one Senator who is not afraid of deficit spending. On the contrary, when there are millions of people unemployed in our country, I am for deficit spending, and I am for several billion dollars worth of it, because I happen to believe that it is the solemn obligation of government to do whatever is necessary to put those people back to work, in keeping with the spirit and purpose of the Full Employment Act of 1946, of which I was a co-sponsor, and which is the law of the land—but under this administration, a dead-letter law. It is a law, however, which ought to be implemented.

I am for high taxes in times of prosperity, in such amounts as will not only balance the budget, but also make a substantial payment on the national debt. In times of economic crisis, such as this, I am for deficit spending.

The kind of deficit spending which I favor, so far as the tax cut is concerned, would provide the purchasing power so sorely needed to empty the inventories, stimulate new orders, and, through the new orders, put people back to work.

It has been asked by some who have been charging those of us who have been standing for a tax cut with fiscal irresponsibility, "What good would a tax cut do for the unemployed? They are not paying taxes now anyway."

What it would do for the unemployed would be to provide purchasing power for those who could buy the inventories which now are crowding the shelves of America. This is a production recession. It is not the kind of recession which we had in 1949 and 1954, which could be described as an inventory recession. In the case of the inventory recessions, when we get rid of the inventories in the retail and wholesale establishments, those businesses are revived.

This recession is linked to heavy industry, whose capacity is down. What is needed, of course, is new orders, which will increase the capacity. If my recollection is correct, I believe that, as of the first part of this week, the steel industry was operating at 48.7 percent of capacity. Our only remedy for that kind of recession is to develop some purchasing power, so that orders will come in for steel.

That is why I am for a tax cut, and for a public works program at the same time, because a public works program would lead to great purchases of steel in a very short time, whether in connection with roads, or in connection with great multipurpose dams, or any other forms of public works programs.

I have spoken several times on this subject, and probably shall speak many more times, until something is done by the Government and Congress which will give us an effective antirecession program.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks some very excellent

testimony given by Howard Morgan, Public Utility Commissioner of the State of Oregon, before the Surface Transportation Subcommittee of the Senate Committee on Interstate and Foreign Commerce in March 1958. This is one of the finest statements on the subject I have ever read. I wish to commend our Public Utility Commissioner for the contribution he made in his testimony. I believe it is material which ought to be in the CONGRESSIONAL RECORD as a reservoir of information for Senators in carrying out their public duty.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HOWARD MORGAN, PUBLIC UTILITY COMMISSIONER OF THE STATE OF OREGON, BEFORE THE SURFACE TRANSPORTATION COMMITTEE OF THE UNITED STATES SENATE, MARCH 1958

My name is Howard Morgan. My address is 200 Public Service Building, Salem, Oreg. I am the Public Utility Commissioner of the State of Oregon. My education and experience in the field of transport regulation extends over a period of approximately 20 years. I hold a degree in and am the author of a thesis concerning that specific field of transport regulation. I have served as a staff member of the Board of Investigation and Research under the Transportation Act of 1940 which, on behalf of the Congress, studied many of the matters now before this committee, and during the early months of World War II, I was privileged to serve on the staff of the late Joseph B. Eastman, who was Chairman of the Interstate Commerce Commission and Chief of the Office of Defense Transportation. I have also been a member of the Oregon Legislature and have served in the capacity of transport consultant to the Oregon State Grange.

Let us be clear at the outset that although my statement will contain some criticism of the proposals made before you in recent weeks by spokesmen for the railroad industry, my comments will not be motivated by unfriendliness to the rail carriers or any lack of appreciation of the crucial role they play in our national economy. The importance of the railroad industry to the peacetime economy as well as to the defense of our Nation cannot be exaggerated, and the continued healthful and prosperous operation of these carriers is a matter of no less concern to me than to the members of this committee.

The occasion for this hearing has, of course, been furnished by the coordinated series of statements issued by the leaders of the railroad industry of the Nation under the general heading of "The Deteriorating Railroad Situation." I have carefully examined the statement on this topic made by Mr. Daniel P. Loomis, president of the Association of American Railroads, as well as the statements filed with this committee by the presidents of the various railroads which operate in the Pacific Northwest region. In addition to the several solutions to the problem offered by those gentlemen, I have read the proposals made available to the Congress by various editors, including the editor of Life magazine, who, under the modest title, "How To Save the Railroads," has provided this committee with a formula which I am sure is as welcome to the railroad industry as it is frightening to most of the other industries in the country.

It will be my purpose to criticize some of the proposals and testimony which you have already heard, not from the point of view of any particular industry, but from the point of view of the broad public interest. I am aware that some of my remarks have already been made by others, and I shall therefore try to be very brief.

As every scholar in the field of transportation economics and regulation will recognize, and as at least one witness has already stated before this committee, the lurid description of the Deteriorating Railroad Situation which you have heard has a very familiar sound. Predictions of disaster have come easily to the lips of railroad presidents at all times during the past 100 years except during major wars when the railroads have been physically unable to accommodate any additional traffic. It is even a fact that predictions of disaster have been uttered by railroad spokesmen in the midst of every economic boom experienced by this country during the past 100 years. And let it be noted that until the comparatively recent past this statement was and is true of a very long period in which the railroads had no sizable competitor for the task of carrying the Nation's commerce.

This is not to say that we are justified in ignoring the statements made before this committee many of which are factual, merely because the railroad industry has cried wolf so often. It is true that there is distress in certain individual rail situations, that there is widespread distress among railroads generally in certain geographic areas, and it is also true that certain of the proposals made by the railroad executives before this committee for the remedy of that distress are proposals with which a fair-minded student of transport regulation can and should agree in the public interest.

But I should like to sound a note of caution and warning to this committee that certain other proposals made by the railroads are drastic, reckless, and dangerous to the general welfare. It is toward these proposals that I wish to direct the main body of my testimony, reserving a more brief comment for those items with which I am able to agree and concerning which you have already heard considerable corroborative testimony.

The history of transport regulation in this country extends back over almost exactly 100 years to the establishment of the first State regulatory commission, and at the Federal or Congressional level the period of development is about 75 years. The regulatory experience which has been gained during those years has been achieved at great cost and has absorbed the efforts of some of the finest and most devoted men this country has produced. This experience has played a valuable role in developing our present stable, well-balanced, and efficient transport system. It may be granted that the present circumstances are somewhat different from those in which our past experience has been gained, and yet it is still true that much of this experience is valid and valuable in our present circumstances. I am firmly of the belief that the proposals which you have heard from the railroad executives constitute an invitation to the Congress of the United States to throw the baby out with the bath water.

Specifically, the most dangerous of the railroad proposals hinges upon the suggested revision—or more properly the outright repeal—of the national transportation policy. The present national transportation policy, originally sponsored and supported for many years by the railroad industry, provides that the Federal Government shall foster, protect, and maintain the inherent advantages of each form of transportation. The adoption of this policy by Congress is the result of the evolution, during many years of experience, of a philosophy which mingles the constructive benefits of controlled competition with the constructive benefits of moderate regulation. Congress recognized many years ago that the alternative to controlled and healthful competition must of necessity be regulation so rigid and complete that for all practical purposes it would not be distinguishable from Government ownership and operation of our transport system. Congress



has been proceeding, therefore, on a basis with which I, as a student and practitioner of transport regulation most heartily agree; namely, that an ounce of healthy and constructive competition is worth at least a hundred pounds of regulation.

It is this formula, which mingles the best aspects of competition and regulation, that the railroads are now asking Congress to abandon. It is my opinion that if Congress does abandon the formula expressed in the present national transportation policy it will have taken a giant stride toward eventual Government ownership and operation of our transport system.

The railroads argue to the contrary, holding that because the original regulatory acts were enacted during a time when there was a very real threat of railroad monopoly in the field of transport, and because there are now other forms of transportation in widespread use, that it is now proper and safe to repeal the laws which have fostered and protected the various forms of transportation in their steady competitive development.

A moment's consideration should convince any thoughtful person that this is precisely like suggesting that because the hometown fire department has confined all fires to minor damage for many years, and because the town has never completely burned down during all that time, it is now safe to abandon the local fire department. The railroad presidents argue that in some manner not specified by them, human nature has either been drastically amended or repealed outright since the 1870's and 1880's and that, if the railroads are now accorded the freedom to use their economic power (which our forefathers wisely surrounded with safeguards), they would not now do the things which they once did. It may have occurred to some of the members of the committee, as it most certainly has occurred to me, to ask why the railroads seek the liberty of action which they are asking you to provide them if they do not intend to make full use of it for their own narrow purposes.

The fact that they do intend to use that liberty for their own limited purposes is clearly apparent in the statements of their executives and in the advertisements which they have published before the American people during the course of these hearings. The statement of Mr. Loomis, president of the AAR, is typical both of the various railroad statements made before this committee and resembles the advertisements which are currently appearing.

Mr. Loomis begins by painting an exceedingly gloomy picture of the financial situation of all of the railroads. And may I add at this point that it is hard for me to recognize the picture Mr. Loomis paints because in my section of the United States we have some extremely strong, efficient, and prosperous railroads. Mr. Loomis goes on to describe the perilous position of all railroads with a statement in which he discussed the railroads' declining share of the Nation's tonnage in such a way as to create the impression that the tonnage carried by the railroads is decreasing. This, of course, is simply not true. Then he dwells on the need of the railroads to make what he calls competitive rates to retrieve traffic which has been diverted to other forms of transportation. Now, if Mr. Loomis wants the members of the committee to believe that the railroads can make, or intend to make, more net profit by hauling tonnage at lower rates on a permanent basis, he is asking them to believe something that as businessmen and practical men of affairs they will find it difficult to believe. Is he also asking them to believe that the action of the railroads of the United States in increasing their rates approximately 125 percent during the last 10 years has been the wrong approach to their revenue problems?

What Mr. Loomis is proposing is that the Congress should repeal the obligation of the Interstate Commerce Commission to protect other forms of transportation from cutthroat competition so that orderly competition may be maintained. More explicitly he is proposing that Congress repeal the laws authorizing the Interstate Commerce Commission to control minimum as well as maximum rates.

Now the control of minimum rates is a subject not too clearly understood by the layman. But men whose obligation it is to protect the public learned long ago that there is hardly a more important aspect of transport regulation than the control of minimum rates. The power to control minimum as well as maximum rates was among the first additional powers requested of the Congress by the Interstate Commerce Commission immediately after its establishment in 1887. The Commissioners discovered as soon as they began the task of building a stable and adequate transportation system that drastic rate reductions for the explicit purpose of destroying competition is one of the most potent weapons leading toward the establishment of outright monopoly.

A number of years went by before Congress recognized the wisdom of providing the Commission with such power. It is well to bear in mind that it was the railroad industry itself which begged the Congress to place this power in the hands of the Interstate Commerce Commission in order to restrain reckless and damaging cutthroat rate wars among the railroads themselves. This is a lesson in the history of transport regulation which the railroads in their current zeal to suppress modern competition from other forms of transportation, seem to have forgotten.

The railroads, of course, in all their statements including that of Mr. Loomis, claim that the purpose of their proposals is not to destroy competition and that they could not do so even if they wanted to establish a monopoly through their proposals.

And yet in all of the advertisements and in all of the statements, indeed in Mr. Loomis' own statement, the proposal to allow unrestricted cutthroat competitive rates is immediately followed by the proposal that Congress should allow the railroads to diversify their operation in the field of transportation. There are other phrases which are in current use. One of the advertisements suggests that the railroads should become general practitioners in the field of transportation. Lest the purpose of these suggestions be lost upon the public, the railroads spell out their intentions in specific language. They wish the unrestricted privilege of using their economic power (which in spite of their statements is enormous) first to weaken their competitors in the fields of motor freight, buses, inland and coastal waterways and airlines by means of drastic rate slashing and, having done so, to move into ownership of those competing forms of transportation by purchase (either voluntary or otherwise) or by merger.

Up to this point the railroad executives have provided us with millions of words both written and spoken, and some of those words are candid in the extreme. But beyond this point the railroadmen do not go. We are left to speculate upon what will happen after the railroads have become the predominant and prevailing economic force in the field of transportation. Practical men will have questions to ask at this point and the reticence of the hitherto talkative railroadmen does not serve as an adequate excuse for failure to insist upon answers.

What will happen to the rate structure when the railroad industry has succeeded in moving into the position for which it is asking? Are we to believe that these men will be content, once their competition has been eliminated or made subject to their

control, to keep the rates at the low level which produced those results? If that seems like asking too much of our credibility then are we to assume that the Interstate Commerce Commission is prepared to take on the monumental task of policing thousands upon thousands of maximum rates which were formerly controlled almost entirely by the force of competition? What assurances are there that in the type of transportation system envisioned by the railroad executives the railroads will not operate their highway, waterway, and airway subsidiaries in such a way as to throttle and stifle those subsidiaries? What could be more tempting in such a situation than the deliberate diversion of freight from those forms of transportation for the purpose of forcing it back to the railroads regardless of relative efficiency or the absence thereof?

What other interpretation, indeed, can be placed upon Mr. Loomis' comment that diversification "would make it possible to do away with much unnecessary duplication of facilities?"

It has been stated by numerous spokesmen for the railroad industry that the only alternative to their proposals is Federal ownership and operation of the railroads. I am well aware that Federal ownership and operation has never enjoyed popular support in the United States. It may therefore be considered as a measure of the concern with which I view the railroad proposals in this situation when I say that I believe this committee should examine very carefully the proposition that Federal ownership and control of the railroads is actually preferable to a situation in which the risks outlined above would be omnipresent on a permanent basis. This does not mean that I am advocating Federal ownership and control of the railroads. It does mean, however, that there are some proposals which I would view with deeper distrust than Federal ownership and control of the railroads. It is my judgment that the railroad spokesmen who have appeared before this committee have made such proposals to you.

There are several other aspects of the proposals made before this committee by the railroads which are deserving of comment and criticism, most particularly the general allegations made by the railroad spokesmen concerning subsidies in certain competing forms of transportation and the alleged need for more user charges. It is assumed that the spokesmen for those industries have testified concerning those matters. I have deliberately confined my criticism to what I consider to be both the core of the railroad proposals and the most dangerous portion of those proposals so far as the public interest is concerned. Having made these criticisms I now wish to state that I agree with the rail spokesmen that there is a fairly serious situation in at least some portions of the railroad industry and that some actions by the Congress are necessary to remedy that situation.

First, I should like to concur most heartily in everything Mr. Loomis and the other railroad spokesmen have said concerning the necessity for repeal of the excise taxes on all surface transportation fares and charges. There can be no question that these wartime emergency excise taxes are now operating as a serious drag upon the free exchange of goods within our entire economy and, as Mr. Loomis and other spokesmen for regulated carriers have pointed out, they also serve as a serious disadvantage to the regulated commercial carriers of all types in the competition which has now become serious between those commercial carriers and the unregulated private carriers which are not subject to the excise taxes. Every element of this complex situation constitutes a most urgent and cogent argument for the prompt repeal of the excise taxes affecting all forms of surface transportation.



Likewise, it is not only possible, but desirable, for this committee to agree almost entirely with the statements made by Mr. Loomis with respect to the need for redefining private carriage in such a way as to eliminate the various subterfuges which have allowed an enormous growth in the competition by various unregulated carriers with the regulated common carrier industry upon which the public must depend. Most of this unregulated carriage is in the field of motor freight and the general outline of the evils existing in that field has been known for a considerable number of years. But with the tremendous increase in freight rates since the end of World War II these evils have undergone an almost explosive growth. During the past few years the use of the so-called buy and sell subterfuge and the operations of so-called truck leasing brokerages have reached a sufficient size that they now constitute a serious threat to the stability and solvency of the entire common carrier field. I am persuaded that if these abuses are allowed to grow during the next 5 years at the same rate they have grown in the last 5 years we shall see a seriously endangered transport system in both the railroad and motor freight branches.

Another aspect of this same problem exists in the agricultural exemption from regulatory control. I cannot agree entirely with Mr. Loomis' position on this matter for I am still of the opinion that an exemption is necessary for the prime producers in agriculture and possibly for cooperatives operated by producers. But with that one exception I am in agreement with the remainder of Mr. Loomis' position on this subject. I believe that with this same exception Mr. Loomis is in complete agreement with the position taken by Mr. Rutland, president of the American Trucking Association, in testimony before this committee.

Another proposal in which there seems to be some small disagreement between the position taken by Mr. Loomis and that of Mr. Rutland is in the matter of the suggested repeal of the "free or reduced rates to Government" clause in section 22 of the Interstate Commerce Act. I can conceive of no valid reason why the United States Government or any State government should be extended the benefit of freight rates which do not cover the full cost of rendering the service, particularly during periods in which the largest and most important carriers are undergoing a measure of distress in meeting their expenses. It seems to me that the Congress can provide substantial relief to the rail carriers by terminating this custom which has, in my opinion, outlived its historical necessity and propriety.

The remainder of the railroads' proposals, which I shall not treat in detail, seem to me to be acceptable or at least not seriously objectionable. One item, however, which was not included in the railroad suggestions, possibly because it was not felt to be properly a matter for action by this committee or by the Congress, is the matter of the labor practices within the rail industry best described as "make work" rules or "featherbedding." The existence of such practices, perennially the subject of loud complaints from railroad management on almost all occasions, casts some doubt upon such statements as this one from Mr. Loomis' testimony:

"Certainly the basic difficulties do not lie within the area where the railroads are, under present law, free to exercise self-help."

And again:

"Thus the present difficulties of the railroads may not to any appreciable extent be laid at the doorstep of management nor are they the result of anything inherently wrong with the rail method of transportation."

It is encouraging to observe that such complacency is no longer entirely fashionable and that the railroad industry is beginning

to compare its standards of labor productivity and labor costs with those existing in some of the newer modes of transport. There are now some evidences of a serious program of railroad self-examination and self-criticism for the purpose of insuring that its own services are rendered upon a basis of equal efficiency. This new approach is reflected, for example, in recent editorial policies of a number of the railroad industry publications. It is earnestly to be hoped that such complacent statements as those quoted above from Mr. Loomis' testimony will be replaced in the near future by a more realistic program of self-appraisal by the railroads.

I should like to conclude this statement by warning the committee once again that whereas there are available remedies which are not only acceptable but desirable which the Congress can adopt to assist the railroad industry, there are also proposals before you disguised as remedies which in my opinion are gravely dangerous to the public welfare. In the long run they are equally dangerous to the continuance of private enterprise in the railroad field.

It has long been recognized by experts in the field of transport economics that there are distinct differences in the internal cost structures of the different methods of transportation. It is impossible to go into these matters in a brief statement. Suffice it to say that to adopt the railroads' proposal that all restraint be thrown off and all carriers be placed upon a common footing of unlimited competition would mean that certain carriers, because of these internal cost differences, would become vulnerable to destruction by the larger carriers having greater reserves of cash and noncompetitive traffic. Thus the stable, adequate, and well-balanced competitive transportation system which we now have could be destroyed in a relatively short time by unlimited competition. Inevitably our present system would be replaced by a system wholly dominated by the most powerful carriers, namely, the railroads.

It is my firm opinion that if such a situation is permitted by the Congress it will produce at once a climate of public opinion which in a very short time will result in the Federal ownership and operation of the railroad system.

It may be considered a paradox that the proposals of hard-headed railroad men would or could lead to the appropriation of their property by the public. But there is no field of economic activity closer or more vital to the everyday lives of the people, as well as to the economic health and military defense of this Nation, than that of transportation. I am firmly convinced that the people of this Nation will not, and indeed should not, surrender control of anything so important to them as the entire transportation system of this country to a relatively small group of men at the top of any single industry. That would be the effect of the main railroad proposals which have been laid before you and I repeat again that if those proposals are placed in effect it will lead, and in a surprisingly short time, to public ownership.

Mr. MORSE. I now wish to turn to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

#### HOW MANY FOREIGN POLICY MISTAKES CAN WE AFFORD?

Mr. MORSE. Mr. President, I wish to say a few words this afternoon about American foreign policy, as we proceed, in the Foreign Relations Committee of the Senate, to consider the legislative course of action which we shall recommend to the Senate by way of a foreign aid bill in the weeks immediately ahead.

We must never cease our reexamination and reevaluation of American foreign policy, both in general and in detail.

Since foreign policy in its general nature is so important to all of us, I would like to make a comment on one of the issues of the moment that will continue to grow in importance and that is the question of a summit conference. There is no doubt in my mind that there will be one. The date and the exact agenda remain to be determined, but there will be one.

The United States has put itself in a bad light with world opinion by flatly rejecting the idea at the start, until the bargain was struck at the Paris NATO conference that whether the continental nations would permit missile bases on their soil would depend upon whether we meet the Soviet Union at the summit.

Even after the tacit agreement to that effect was reached at Paris, the President and the Secretary of State have found objection after objection to throw in the way of such a meeting. More recently, we have taken a position which indicates more conclusively and convincingly that our interest lies in holding a worthwhile conference and that our objection is not to the conference itself.

The American attitude on a summit conference is clearly the result of the administration's own overselling of the Geneva conference. It oversold Geneva to itself, and to the American people. Had it not done so, our position in terms of the Soviet Union and before the world now might not be so inflexible.

I think we all will easily recall the fanfare of the Geneva conference, and especially the results and achievements that were claimed for it.

When the President and the Secretary of State returned from Geneva, the television lights blazed, and the Eisenhower smile beamed into all our living rooms and the Madison Avenue experts made a great majority of Americans feel that President Eisenhower had simply charmed away all our international problems.

At his first news conference after his return, Mr. Dulles began his prepared text with the flat statement:

The Geneva summit conference produced good results.

He went on to summarize what he regarded as its chief accomplishments and said that the most important was a transformation in the relations between the Soviet Union and the United States in which, he said, "they became less brittle." According to Mr. Dulles in July 1955, this meant that our differences could more easily be resolved with less fear that war would result.

It was not very popular in the following weeks and months to question just what Geneva had accomplished, and whether it could be called a success just because of all the genial smiles on both sides.

On a radio broadcast in the fall of 1955 in my home State of Oregon, I had as my guest the Senator from Montana [Mr. MANSFIELD]. In that November of 1955, just 4 months after Geneva, we talked about the conference. I mentioned that I personally felt its results were mixed, and that it may even have

added new problems to the East-West difficulties.

We discussed the fact that the Foreign Ministers' meetings which were supposed to follow up the Big Four meeting were getting nowhere which Russian policy in the Middle East was rapidly gaining influence for communism. I said then that Soviet Russia was trying to impress the world with a new look, while the concessions they claimed to have made were either meaningless or even dangerous.

I remember the Senator from Montana replying that the smiles of the Soviet leaders had paid off and it was they who were reaping the dividends.

That this was exactly the result of the Geneva Conference was admitted just a few weeks ago by Secretary Dulles himself.

After rigidly resisting another meeting at the summit in the face of a growing world demand, Mr. Dulles on March 6 answered a Soviet note by pointing out that Geneva had accomplished little. I quote:

We do believe that if there is to be a meeting of heads of government, it should deal, more effectively than did the last such meeting, with essential issues, without excluding subsequently dealing with the others.

Although he had bragged up the accomplishments of Geneva in July 1955, Mr. Dulles went on to say in his note of March 6 that another meeting like it would not be warranted.

I suspect that we were the ones who were really charmed at Geneva. We, the American people, were charmed by Khrushchev and Bulganin on one side and by Eisenhower on the other, because we had fallen into the fallacy of thinking that all problems will fall before a pleasant disposition, whether or not their causes and roots are actually treated.

Mr. Dulles, once burned, has been exceedingly reluctant for the President to meet again with Khrushchev at all.

Had the American leadership been practical and realistic in 1955 about what really happened at Geneva, instead of being realistic about it in 1958, we might not now be in the position of heel-dragging on the summit meeting that world opinion craves.

As a matter of fact, after years of thundering abuse of the late Franklin Delano Roosevelt for the Yalta Conference, Mr. Dulles finds himself in somewhat the same position. Everyone here will remember how widely castigated President Roosevelt was for the Yalta agreements when the Russians subsequently did not live up to them.

Yet with that hard lesson of Yalta so recently learned, Eisenhower and Dulles came back from Geneva with a list of agreements they said had only to be carried into reality by the foreign ministers' meetings to follow.

Our Secretary of State accused the Soviet Union of failing to carry out the agreement he claims was reached at Geneva on reunification of Germany though the records of Geneva show that no firm agreement of any kind on reunification was in fact reached.

Mr. Dulles' preoccupation with this aspect of Geneva is rather amazing in

view of the lesson that he should have learned from Yalta. The Geneva statement on the German question read:

The heads of government, recognizing their common responsibility for the settlement of the German question and the reunification of Germany, have agreed that the settlement of the German question and the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interest of European security.

That is the so-called agreement on Germany.

Now Mr. Dulles is shocked that this loose agreement should not have been implemented.

Yet Secretary Dulles was adviser to Democratic Secretaries of State in 1945, in 1947, and 1949. He was consultant to the Secretary of State in 1950. I am surprised that in that time he did not familiarize himself with what was so well known and so oft repeated in those days by his fellow Republicans, including the present Vice President of the United States.

That is the agreement reached at Yalta that the Government of Poland should be chosen by free election by the Polish people, and the complete abrogation of that agreement by the Soviet Union.

Just recently, two letters from President Roosevelt to Stalin subsequent to Yalta have been released in the Soviet Union. Not in the United States, of course. Here they are still secret, still classified. But thanks to the Soviet Union, the American people have finally learned that just a few days before his death, Franklin Roosevelt vigorously protested to Stalin the failure of Russia to go ahead with the Polish election.

I quote his letter to Stalin written on April 1, 1945, just 11 days before his death, and published in part on February 12, 1958, by the New York Times:

I cannot conceal from you the concern with which I view the developments of events of mutual interest since our fruitful meeting at Yalta. The decisions we reached there were good ones \* \* \* so far there has been a discouraging lack of progress made in carrying (out) \* \* \* political decisions \* \* \* particularly those relating to the Polish question. \* \* \*

You are aware of course that the commission which we set up has made no progress \* \* \* your Government appears to take the position that the new Polish provisional government of national unity \* \* \* should be little more than a continuation of the present Warsaw government. \* \* \*

I must make it quite plain to you that any such solution which would result in a thinly disguised continuance of the present Warsaw regime would be unacceptable and would cause the people of the United States to regard the Yalta agreement as having failed.

What further action President Roosevelt might have taken regarding the failure of Russia to follow through on the Polish elections can only be a matter for speculation.

The national experience at that time was one reason why a few of us, and particularly those of us who were in Congress in 1945, wondered about Geneva. I, for one, wondered whether the glowing words of the President and

the Secretary of State in 1955 about Geneva had any more chance of fulfillment than had President Roosevelt's agreement on the future of Poland.

Some of us learn by experience. Some of us are even able to learn by other people's experience. Apparently Mr. Dulles is not. Apparently he has to learn by his own personal experience, because he flew off to Geneva to learn the same thing that President Roosevelt had found out for us at Yalta. Now Mr. Dulles is reluctant to engage in any summit meeting at all.

But at Geneva the language was similar to the language with regard to Poland; in fact, even less specific language than that with regard to Poland in the Yalta agreement was included in the platitudinous collection of words in the Geneva Conference. One would think that on the basis of the Yalta experience, Mr. Dulles ought to have known that unless he tied the issue down more specifically than is contained in the vague, general wording of the so-called agreement on Germany, we could expect results somewhat similar to those which occurred in the case of Poland.

I do not want to overdraw the parallel of Yalta and Geneva, because there are many differences, but I do think that Geneva need not have been touted as it was, in the light of our experience of only 10 years before. Second, both conferences should teach our administrations and the American people to judge such conferences for their solid, definite achievements and the machinery for carrying them out, rather than for their statements of objectives.

I have made these statements on foreign policy as really introductory statements to a series of foreign policy speeches which I shall make in the weeks immediately ahead as, in the Committee on Foreign Relations, we come to grips with some of the foreign policy programs which will have to be recommended to Congress for solution in the foreign aid bill which will come before the Senate. But what I am urging at the present time in the Committee on Foreign Relations is that we recognize the need for following new roads of approach to the ultimate goal of peace, instead of the roads which we have followed in the past, because the old roads, as I have alluded to them in my speech today, have not brought us closer to peace.

It happens to be one of my convictions that we stand closer to war today than we have stood at any time in the last several years. I am afraid that the kind of program which may be presented to Congress, if we adopt the motif of the Eisenhower administration as thus far recommended, will be a program which overemphasizes military aid and deemphasizes economic aid. It will be a program that might very well be characterized and described as one which proposes to export bullets rather than bread to the underdeveloped areas of the world.

That is why I think that now is the time for us to start reorienting ourselves in regard to the foreign policy problems of the Nation, to see if we cannot, this time, adopt a foreign-aid program which



will stress and emphasize the development of the economic productive powers of the peoples of the world who have to be won over to the cause of freedom, and not make the mistake I think we have made too often in the past, namely, of overemphasizing military aid, thinking that we can win the peace through armaments. My fear is that the road of armaments is the road toward war.

The road of developing the economic productive power of the people in the underdeveloped areas of the world is the road which will lead us to peace. On that road we can demonstrate to the people of the world the superiority of our system of economic freedom over the economic, police-state methods of Soviet Russia.

#### AREA REDEVELOPMENT

Mr. DOUGLAS. Mr. President, on behalf of the Senator from Maine [Mr. PAYNE] and a bipartisan group consisting, at the moment, of at least 28 Senators, namely, Senators SPARKMAN, BEALL, MONRONEY, CASE of New Jersey, CLARK, IVES, PROXMIRE, POTTER, MURRAY, CHAVEZ, ALLOTT, GREEN, COOPER, ANDERSON, JAVITS, KEFAUVER, HOBLITZELL, HENNINGSON, JACKSON, KENNEDY, MANSFIELD, SYMINGTON, McNAMARA, NEUBERGER, CARROLL, CHURCH, MORSE, and myself, I introduce for appropriate reference a bill which I may perhaps characterize at this point as the Douglas-Payne area redevelopment bill.

The bill is designed to establish an effective program to alleviate conditions of persistent and excessive unemployment and underemployment in certain economically depressed areas of our country. Five separate bills have been introduced on this subject and have been the object of Senate Production and Stabilization Subcommittee study and extensive hearings during the 85th Congress. The bill I am presently introducing was developed through the joint efforts, in the main, of Senator PAYNE and myself and represents a modified bill encompassing the best portions of all the bills introduced at this point. I want to extend my deep respect and wholehearted appreciation to Senator PAYNE for his tireless and excellent help in the preparation of this badly needed legislation. The bill is not to be considered as a major cure for the present economic recession, but rather as a well-considered program to provide seed money to these areas on a self-help basis by long-term loans for the economic revitalization of these pockets of long-term economic ills.

Mr. President, even at the so-called height of prosperity of last year, many communities and labor market areas of the country had suffered high and persistent unemployment for a long period of time. They included the textile communities of Maine, New Hampshire, sections of Vermont, Massachusetts, Rhode Island, and Connecticut; and towns in upstate New York and in Pennsylvania; they included coal-mining communities both in the anthracite regions of Pennsylvania and the bituminous regions of Pennsylvania, West Virginia, Ohio, Illinois, Kentucky, Colorado, and other

States. They included areas of the country where natural resources have been exhausted, such as the cutover lands of Michigan, Wisconsin, Minnesota, and other regions, where the timber had been cut off and the communities left; where metals had been drawn out of the ground such as is true of certain communities in Colorado and other States, as well. It included many of the Indian tribal areas in such States as the Dakotas, Montana, New Mexico, Arizona, and Oklahoma.

In general, throughout the country, there were many areas where, despite the general prosperity, production had ebbed away and people were left unemployed. The decline in industry in those areas naturally led many people, and properly so, to go to other industries in other localities.

In many cases that involves the breaking up of homes and the traveling of long distances. Even when the workers remain at their homes, some travel 60 or 70 miles to find work in other towns. It involves the breaking of ties, and it also involves leaving behind ghost town communities almost decimated of population by the loss of the virile working people and their families.

Sometimes people do not realize the social capital that is involved in a community which is rendered idle by the movement of labor, and which has to be duplicated in other localities, when people move there. If a home in a coal-mining community, or a textile-manufacturing town, or some other mining community, is left vacant because the worker and his family move to an industrial center, a new capital investment must be made there, in order to make it possible for the workers and their families to be housed. In addition, community facilities must be duplicated, while the community facilities in the community which has been left remain idle and unused. I refer to facilities such as streets, sewers, water systems, electric light and telephone systems, school buildings, churches, lodges, and so forth. All these are part of the social capital of a community which is left idle by the migration of population.

Let me make clear the purpose of the framers of the bill: We do not propose that migration be stopped. We do not wish to freeze the population in the exact geographical locations now occupied. We recognize that changes and migration are necessary, and that life demands change as new industries come into the market, and so forth. But we say that great and unnecessary losses are connected with this process, when men move out of communities, in order to go to new industries. We should make some effort to bring industries into the decaying and depressed communities, so that work may be provided, so that a minimum of damage may be done to family life, and so that the assets of the communities and of the families may be properly utilized. That is the fundamental purpose of the bill I am now introducing.

The bill provides for the granting of \$100 million in long-term loans for the establishment of industries in urban and semiurban depressed areas, and for similar loans of \$100 million to private

industries in the farming regions of the country where incomes are markedly low and where there is a great deal of unemployment and underemployment. In other words, the purpose of the bill is to enable the Government, through the making of loans to private industry, under the private-enterprise system, to rejuvenate many of these communities and to enable men to earn a living and to support their families without the necessity of breaking family ties.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. Mr. President, I am very happy to yield to the Senator from Colorado, who has this matter on his heart and mind, and who has made invaluable contributions on this subject.

Mr. CARROLL. About 1 year ago an earlier version of this important bill was under consideration in a subcommittee of the Committee on Banking and Currency. The distinguished Senator from Illinois [Mr. DOUGLAS] was chairman of the subcommittee. I testified there in regard to the bill. Long before the current recession, or depression, I thought the bill was one of the most important pieces of economic legislation to come before this body.

Nothing more aptly and accurately meets the conditions which exist today in southern and northwestern Colorado. In this area we have economic conditions that have caused families to split up; citizens must travel 50 or 60 miles from their homes to their jobs in other cities; coal-mining communities, at one time highly prosperous, now are lucky to have 50 employed miners.

What is needed to restore economic health to these economically depressed areas in Colorado? If a small, new corporation were able to commence operations in such a community, on the basis of a modest investment, it could in all likelihood restore the economic health of that community.

Especially do I wish to commend the distinguished Senator from Illinois for his vision and foresight in connection with this most important measure. Nothing has been done for a year in this very important field. So I should like to ask him what the prospect is for consideration by the Senate of this extremely important bill.

Mr. DOUGLAS. I think the prospect is good. The bill was reported by the Banking and Currency Committee. It is true it was not reported by an overwhelming majority of the committee, but it was reported by an adequate majority. Although the majority leader will have to state when he wishes to have the measure considered by the Senate, I feel quite confident that the prospect for Senate consideration is good.

Mr. CARROLL. If the Senator will yield further, not only considering Colorado, but as a result of reading some of the testimony concerning other areas of the country, I believe the proposal will do much good for economically depressed communities including rural areas. Eventually, it could be a great revenue-producing measure for depressed areas.

Since I gave my testimony on this bill a year ago, I sent a member of my staff

to New York to see the head of the International Ladies' Garment Workers' Union, Mr. Dubinsky, to determine if contracts could not be developed for garment production in a small town in southern Colorado which has been having severe employment problems. Sewing machines from WPA days of 25 years ago were available in the community. The women were expert seamstresses. I thought perhaps, with a little capital investment, the capabilities of those people could be utilized, because they have a reputation for fine handiwork in garments. A payroll would be established in that town by the use of a little ingenuity and a little cash. If such a venture could have been established it would revive the entire community.

I read today of the President's proposal for establishment of a Federal fund of \$700 million for loans to railroads. However highly desirable such a fund might be for the railroads, capital is needed more urgently for small businesses.

I again commend the Senator from Illinois for his tremendous work on this proposed legislation.

Mr. DOUGLAS. I thank the Senator from Colorado. I may say the testimony he gave before the committee was some of the best evidence we had about the need for this measure. He testified about conditions in southern Colorado and in other portions of Colorado, and his testimony clearly indicated the need for additional industry in those localities, and he had some other common-sense suggestions as to how it would be a paying proposition. We owe a great debt to him for his aid.

Mr. CARROLL. Will the Senator yield further?

Mr. DOUGLAS. Yes.

Mr. CARROLL. As the economy of this country becomes more and more based on military spending, comprising perhaps \$42 billion of our budget, the need for this type legislation takes on a new significance. Even though the information is supposed to be classified, I have read in the New York Times that there is some thought being given to establishment of a guided-missile base in Colorado. More and more, the concentration of military establishments seems to be in and about major cities. Small communities which are located hundreds of miles from major cities will not prosper under such a program. The big military establishments which could economically benefit rural depressed areas are located elsewhere. So there is great need for this type of legislation to help those small communities.

Mr. DOUGLAS. I thank the Senator from Colorado. As I was saying, this bill, though designed to aid industrial mining, and the development of natural resources of these areas of the country, is also designed to help those farming areas which have low income and a great deal of underemployment. So it is broadly based, geographically, and will aid counties in the South where farm income is low, and will aid counties in the Southwest where farm income is low, and will aid certain agricultural counties in other sections of the country where farm income is low, as well as the

coal, textile, and natural resource areas of the North and the West.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. CARROLL. The Senator's statement is quite true. Between the Canadian border and the Gulf of Mexico are 10 States which comprise a great drought area. Hundreds of counties are involved. I think the Senator has clearly described what happens to small communities from a social standpoint and from a capital investment standpoint, and what happens to newspapers, banks, and small businesses in those economically depressed communities. Healthy small communities could reinforce and protect the surrounding agricultural areas.

Mr. DOUGLAS. There is one other feature of the bill which I think I should touch on, and that is the provision that the Federal Government will lend to localities and communities \$100 million for the provision of public facilities to aid them in attracting industry. That will be in the field, most notably, of helping them provide industrial water through provision of dams and reservoirs, and industrial parks, where a number of industries can move into an area and share in the use of access roads, sewer, water, and lighting systems, and, in some cases, general factory buildings, which can be divided into sections for a series of small factories.

For similar purposes, there is provided an outright grant of \$75 million to aid localities which are flat on their backs, so to speak, and do not have the resources even to borrow from the Government at a moderate rate of interest.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. CARROLL. What part of the program would be grants and what part loans?

Mr. DOUGLAS. The loan program would involve \$300 million. The grant program would involve \$75 million. The grant program would be confined to the provision of public facilities, which would aid in the attraction of industry—what Alfred Marshall would call industrial economics—industrial waters, parks, roads, and so forth.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Oregon.

Mr. MORSE. I do not know whether the Senator's assistants have had an opportunity to advise him as yet, but once again I would consider it an honor to be associated in a peace and general welfare program that is typical of the statesmanship of the Senator from Illinois.

Mr. DOUGLAS. When I heard the good news, I wrote on the cover of the bill, "Senator MORSE, of Oregon." So I am glad to have him join in the sponsorship of the bill.

Mr. President, I ask unanimous consent that a statement by the Senator from Maine [Mr. PAYNE] be printed at this point in my remarks. I wish to add that no one could have been more cooperative and concerned with this matter than the Senator from Maine. In

fact, both Senators from Maine have taken a great deal of interest in the bill, and have worked diligently on the matter. I am very happy that the bill comes before the Senate as a bipartisan bill.

I ask that the bill lie on the desk for 2 days for the purpose of adding additional sponsors.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The Senator from Illinois has made two unanimous-consent requests. The first is that the address of the Senator from Maine [Mr. PAYNE] be made a part of his remarks at this point. Is that correct?

Mr. DOUGLAS. It might be well to have that done at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FREDERICK G. PAYNE ON INTRODUCING THE AREA REDEVELOPMENT ACT WITH SENATOR DOUGLAS

Today I am joining with my good friend, Senator PAUL H. DOUGLAS, of Illinois, in introducing the Area Redevelopment Act of 1958 to aid economically distressed areas. This legislation has already received the approval of the Senate Banking and Currency Committee after more than 15 months of study and review. Practically all provisions of this bill were drafted under the close supervision of Senator DOUGLAS and myself. In doing so, we have endeavored to create the soundest possible program for Federal assistance to those areas of persistently high unemployment.

This legislation is designed to meet the deep-rooted economic problems of such areas by augmenting the efforts of the States and local communities. While these efforts have often been outstanding when measured in terms of the resources available, in many cases they have been inadequate to cope with the problems involved. Under this bill Federal assistance will be provided to localities in order that they may proceed with development of new sources of employment.

Specifically this assistance would be in the form of loans, grants and technical advice to those industrial as well as rural areas which have suffered continuing economic adversities. Two loan funds of \$100 million each are created for rural and industrial development loans respectively. These loans would go principally to local redevelopment agencies for improvement of old industrial buildings and construction of new. An additional \$100 million in loans as well as \$75 million in grants is available for construction of public facilities necessary for industrial development. Technical assistance to local redevelopment groups in the form of evaluating the needs and growth potential of the areas is also included in the bill. Redevelopment areas would receive special priorities for urban renewal projects and vocational training assistance. The program embodied in this bill would bring all the resources of the Federal Government to bear upon the national problem of chronic unemployment in scattered areas across the Nation.

Similar legislation was approved 2 years ago by the Senate, but failed in the House of Representatives. That legislation had my support and since that time I have persisted both in the Senate Banking and Currency Committee and elsewhere in my efforts to secure adoption of an area development program.

Areas such as Saco-Biddeford-Sanford in Maine, which has had more than 6 percent unemployment since March 1954, are greatly in need of this program. It is my hope that



the Senate will undertake speedy consideration of this bill so that it may be enacted into law during the present Congress. The welfare of the citizens in each of the distressed areas across the Nation is dependent upon approval of this legislation.

The PRESIDING OFFICER. What is the second request?

Mr. DOUGLAS. That the bill lie on the clerk's desk for 2 days so that those who wish to serve as sponsors may add their names to the list of Senators already on the bill.

The PRESIDING OFFICER. For what period of time?

Mr. DOUGLAS. Two days.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, the Senator from Massachusetts [Mr. KENNEDY] has just consulted with me. I may point out that he has taken a very active interest in this bill.

Mr. KENNEDY. It is a continuing interest.

Mr. DOUGLAS. I am glad to see he is a sponsor of the bill.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD a comparative table of the provisions of this final bill and the proposed bills which preceded it, so that one may see the details and the evaluation of the bill, in a sense.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of area redevelopment bills

Provision	Douglas bill (S. 964)	Administration bill (S. 1433)	Payne bill (S. 3447)	Douglas-Payne bill
1. Title.....	Area Redevelopment Act.....	Area Assistance Act of 1957.....	Area Economic Redevelopment Act.....	Area Economic Redevelopment Act.....
2. Organization.....	Independent Area Redevelopment Administration, with confirmed Administrator.	Commerce Department, with Administrator equivalent to Assistant Secretary.	Same as S. 1433.....	A constituent agency within HHPA, with confirmed Commissioner.
3. Advisory board.....	1. Cabinet-level advisory committee. 2. 12-man National Public Advisory Committee from all walks of life.	1. Cabinet-level advisory board.....	1. Cabinet-level advisory board. 2. 25-man National Public Advisory Committee from all walks of life.	1. Cabinet-level advisory board. 2. 25-man National Public Advisory Committee from all walks of life.
4. Division of redevelopment areas.	1. Industrial areas with substantial and persistent unemployment over an extended period. Specific levels: (a) 12 percent for 1 year preceding. (b) 8 percent for 15 of 18 months preceding. (c) 6 percent for 8 months of each of 2 years preceding. 2. Rural areas with largest number and percentage of low-income farm families and substantial and persistent unemployment or underemployment.	Limited to areas where unemployment level (a) is 8 percent seasonally adjusted and has been 8 percent for major portion of 2 preceding years.	1. Industrial areas with substantial and persistent unemployment over an extended period. Specific levels: (a) 15 percent for 6 months preceding. (b) 12 percent for 1 year preceding. (c) 9 percent for 15 of 18 months preceding. (d) 6 percent for 18 of 24 months preceding. 2. Rural areas with largest number and percentage of low-income farm families and substantial and persistent unemployment or underemployment, not to exceed 300 counties.	1. Industrial areas with substantial and persistent unemployment over an extended period. Specific levels: (a) 12 percent for 1 year preceding. (b) 9 percent for 15 of 18 months preceding. (c) 6 percent for 18 of 24 months preceding. (d) 15 percent for 6 months preceding (at Commissioner's discretion). 2. Rural areas with largest number and percentage of low-income farm families and substantial and persistent unemployment, not to exceed 300 counties.
5. Local groups.....	Local and regional committees appointed by Administrator.	Public or private agency approved by State or its instrumentality.	Public or private agency approved by State or its instrumentality.	Public or private agency approved by State or its instrumentality except where there is no provision for such approval. Then Commissioner may appoint a local committee.
6. Loans for private projects:				
(a) Revolving fund or funds total.	\$100,000,000 for industrial areas... \$100,000,000 for rural areas.....	\$50,000,000 for industrial areas... 35 percent (prior claim).....	\$150,000,000 for industrial and rural areas. 50 percent (prior claim).....	\$100,000,000 for industrial areas. \$100,000,000 for rural areas. 65 percent (subordinate to other loans).
(b) Maximum Federal participation.	10 percent; maximum 25 percent (subordinate to Federal claim).	15 percent (subordinate to Federal claim).	10 percent (subordinate to Federal claim).	10 percent.
(c) Minimum State or local participation.	5 percent.	None.....	5 percent.	5 percent.
(d) Minimum private participation.	40 years.....	25 years.....	35 years.....	40 years.
(e) Maximum period of loans.	Including machinery and equipment.	Not including machinery or equipment.	Not including machinery or equipment.	Including machinery and equipment.
(f) Industrial or commercial projects.	Rate paid Treasury plus $\frac{1}{2}$ of 1 percent.	Not specified.	Rate paid Treasury plus $\frac{1}{2}$ of 1 percent.	Rate paid Treasury plus $\frac{1}{4}$ of 1 percent.
(g) Interest rate.....	Local committee.....	State, and found by State to be consistent with area economic development program approved by Secretary.	State, and found by State to be consistent with area economic development program approved by Secretary.	State or local development agency (or local committee in absence of State or local development agency), and found by State to be consistent with area economic development program approved by Commissioner.
(h) Application approved by.....				
7. Loans for public facilities:				
(a) Revolving fund.....	\$75,000,000.....	None.....	\$100,000,000.....	\$100,000,000.
(b) Maximum Federal participation.	75 percent (prior claim).....	do.....	50 percent (prior claim).....	65 percent subordinate to other loans.
(c) Minimum State or local participation.	10 percent; maximum 25 percent (subordinate to Federal claim).	do.....	10 percent (subordinate to Federal claim).	10 percent.
(d) Maximum period of loan.	40 years.....	do.....	35 years.....	40 years.
(e) Interest rate.....	Rate paid Treasury plus $\frac{1}{2}$ of 1 percent.	do.....	Rate paid Treasury plus $\frac{1}{2}$ of 1 percent.	Rate paid Treasury plus $\frac{1}{4}$ of 1 percent.
8. Funds for loans:				
(a) Amount.....	\$275,000,000.....	Authorization for \$50,000,000.....	\$250,000,000.....	\$300,000,000.
(b) Source.....	Borrowed from Treasury.....	Appropriation.....	Borrowed from Treasury.....	Borrowed from Treasury.
(c) Interest rate paid Treasury.	Current average rate on outstanding marketable United States obligations at end of preceding month.	Annual payments based on current average market yields of outstanding marketable United States obligations of comparable maturities.	Current average rate on outstanding marketable United States obligations at end of preceding month.	Not greater than current average yields on outstanding marketable United States obligations of comparable maturities at end of preceding month.
9. Grants for public facilities.....	Authorization of appropriation of \$50,000,000.	None.....	Authorization for appropriation of \$50,000,000 a year.	Authorization for appropriation of \$75,000,000 a year.
10. Information.....	Information furnished to redevelopment areas.	Information furnished to all areas.	Information furnished to redevelopment areas.	Information furnished to redevelopment areas.
11. Technical assistance.....	Technical assistance to redevelopment areas; \$4,500,000 appropriation authorization.	Grants for technical assistance for redevelopment areas; authorization for \$1,500,000 a year appropriation.	Technical assistance authorized for redevelopment areas; authorization for appropriation of \$3,500,000 a year.	Technical assistance authorized for redevelopment areas; authorization for appropriation of \$4,500,000 a year.
12. Authority granted.....	Usual corporate powers.....	Usual corporate powers.....	Usual corporate powers.....	Usual corporate powers.
13. Termination of eligibility.....	Provision for termination of designation as redevelopment area.	No specific provision.....	Provision for termination of designation as redevelopment area.	Provision for termination of designation as redevelopment area.

## Comparison of area redevelopment bills—Continued

Provision	Douglas bill (S. 964)	Administration bill (S. 1433)	Payne bill (S. 3447)	Douglas-Payne bill
14. Federal procurement	Federal procurement channeled to redevelopment areas through negotiations, set-asides and matching bids.	No provision	Federal procurement channeled to redevelopment areas through negotiations, set-asides and matching bids.	No provision.
15. Urban renewal	1. On request by Administrator, HHFA may give financial assistance to projects in municipalities without regard to predominantly residential requirement. 2. Not more than 10 percent of sec. 102 loan funds and sec. 103 grant funds available for this purpose.	1. On request by Secretary, HHFA may give financial assistance to projects in municipalities without regard to predominantly residential requirement. 2. No provision	1. On request by Secretary, HHFA may give financial assistance to projects in municipalities without regard to predominantly residential requirement. 2. Not more than 10 percent of sec. 102 loan funds and sec. 103 grant funds available for this purpose.	1. On request by Commissioner, HHFA may give financial assistance to projects in municipalities without regard to predominantly residential requirement. 2. Grants must be within 10 percent limit provided by par. 110 (c) for projects under par. 110.
16. Community facilities loans	No provision	First priority in processing applications to projects in redevelopment areas.	No provision	No provision.
17. Planning grants	Planning grants authorized for smaller municipalities redevelopment areas.	Same as S. 964	Same as S. 964	Same as S. 964.
18. Vocational training	Labor and HEW ascertain need for vocational training and provide financial assistance to State agency in supplying such facilities and services.	Labor and HEW may provide advice and technical and financial assistance to supply vocational training facilities.	do	Do.
19. Retraining subsistence payments.	Labor makes payments to States for 13 weeks retraining subsistence payments to unemployed not getting unemployment compensation and getting training for new job.	None	do	Do.
20. Other provisions:				
(a) Penalties for fraud, etc.	Yes	Yes	Yes	Yes.
(b) Restrictions on exeditors and employment of agency employees.	do	do	do	Do.
(c) Annual report.	do	do	do	Do.
(d) Appropriations.	do	do	do	Do.
(e) Use of other facilities.	do	do	do	Do.
(f) Davis-Bacon Act.	No	No	No	Do.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3683), to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, introduced by Mr. DOUGLAS (for himself and other Senators), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act be cited as the "Area Redevelopment Act."

## DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that under the provisions of this act new employment opportunities should be created by developing and expanding new and existing facilities and resources without substantially reducing employment in other areas of the United States.

## AREA REDEVELOPMENT ADMINISTRATION

SEC. 3. To assist areas in the United States designated hereinafter as redevelopment areas, there is hereby created, as a constituent agency of the Housing and Home Finance Agency, an agency to be known as the "Area Redevelopment Administration" (hereinafter referred to as the "Administration"). The Administration shall be headed by an Area Redevelopment Commissioner (hereinafter referred to as the "Commissioner") who shall be appointed by the President, by and with the consent of the Senate, and who shall receive compensation at a rate equal to that received by the heads of other constituent agencies of the Housing and Home Finance Agency.

## ADVISORY BOARD

SEC. 4. (a) To advise the Commissioner in the performance of functions authorized by this act, there is authorized to be created an Area Redevelopment Advisory Board (hereinafter referred to as the "Board"), which shall consist of the following members, all ex officio: The Commissioner as Chairman; the Secretaries of Agriculture, Commerce, Defense, Health, Education, and Welfare, Interior, Labor, and Treasury; the Administrators of the General Services Administration, Housing and Home Finance Agency, and Small Business Administration; and the Director of the Office of Defense Mobilization.

The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Commissioner shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of 25 members and which shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such Committee the Commissioner shall designate a chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Commis-

sioner relative to the carrying out of his duties under this act. Such Committee shall hold not less than two meetings during each calendar year.

(c) The Commissioner is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry in which employment has dropped substantially over an extended period of years and which in consequence has been a primary source of high levels of unemployment in several areas designated by the Commissioner as redevelopment areas. The Commissioner may also call upon representatives of interested governmental departments and agencies, together with representatives of transportation and other industries, to participate in any conference convened under authority of this subsection whenever he determines that such participation would contribute to a solution of the problems creating such unemployment. The representatives at any such conference shall consider with and may recommend to the Commissioner plans and programs to further the objectives of this act with special reference to the industry with respect to which the conference was convened.

## REDEVELOPMENT AREAS

SEC. 5. (a) The Commissioner shall designate as "industrial redevelopment areas" those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area in which there has existed unemployment of not less than (1) 12 percent of the labor force during the 12-month period immediately preceding the date on which an application for assistance is made under this act, (2) 9 percent of the labor force during at least 15 months of the 18-month period immediately preceding such date, or (3) 6 percent of the labor force during at least 18 months of the 24-month period immediately preceding such date. Any industrial area in which there has existed unemployment of not less than 15 percent of the labor force during



the 6-month period immediately preceding the date on which application for assistance is made under this act may be designated as an industrial redevelopment area if the Commissioner determines that the principal causes of such unemployment are not temporary in nature.

(b) The Commissioner shall also designate as "rural redevelopment areas" those rural areas within the United States (not exceeding at any time 300 counties in the United States) in which he determines that there exist the largest number and percentage of low-income families, and a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Commissioner shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, and the availability of manpower in each such area for supplemental employment.

(c) In making the determinations provided for in this section, the Commissioner shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(d) Upon the request of the Commissioner, the Secretary of Labor, the Secretary of Agriculture, and the Director of the Bureau of the Census are respectively authorized to conduct such special studies, obtain such information, and compile and furnish to the Commissioner such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in this section. The Commissioner shall reimburse, out of any funds appropriated to carry out the purposes of this act, the foregoing officers for any expenditures incurred by them under this section.

(e) As used in this act, the term "redevelopment area" refers to any area within the United States which has been designated by the Commissioner as an industrial redevelopment area or a rural redevelopment area, and may include one or more counties, or one or more municipalities, or a part of a county, or municipality.

#### LOANS AND PARTICIPATIONS

Sec. 6. (a) The Commissioner is authorized to purchase evidences of indebtedness and to make loans (including immediate participation therein) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment) for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

(b) Financial assistance under this section shall be on such terms and conditions as the Commissioner determines, subject, however, to the following restrictions, and limitations:

(1) The total amount of loans and loan participations (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with re-

spect to projects in industrial redevelopment areas shall not exceed \$100 million, and (B) with respect to projects in rural redevelopment areas shall not exceed \$100 million;

(2) Except as provided in subsection (c), such assistance shall be extended only to applicants, both private, and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision;

(3) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

(4) No loan shall be made unless it is determined that an immediate participation is not available;

(5) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

(6) Subject to section 12 (5) of this act, no loan, including renewals or extension thereof, may be made hereunder for a period exceeding 40 years and no evidences of indebtedness maturing more than 40 years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Commissioner as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of 10 years, will aid in the orderly liquidation of such loan or of such evidence of indebtedness;

(7) Such loans shall bear interest at a rate equal to the rate of interest paid by the Commissioner on funds obtained from the Secretary of the Treasury as provided in section 9 of this act, plus one-quarter of 1 percent per annum;

(8) Such assistance shall not exceed 65 percent of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) That not less than 10 percent of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan.

(C) That in extending financial assistance under this section with respect to an industrial redevelopment area, the Commissioner shall require that not less than 5 percent of the aggregate cost of the project for which such loan is made shall be supplied by non-governmental sources.

(D) That any Federal financial assistance extended under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any Federal financial assistance extended under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(9) No such assistance shall be extended unless there shall be submitted to and approved by the Commissioner an overall program for the economic development of the

area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

(c) If there is no agency or instrumentality in any State, or political subdivision thereof, qualified to approve applicants for assistance under this section as provided in paragraph (2) of subsection (b), the Commissioner shall, upon determining that any area in such State is a redevelopment area, appoint a local redevelopment committee (hereinafter referred to as a "local committee") to be composed of not less than seven residents of such area who, as nearly as possible, are representative of labor, commercial, industrial, and agricultural groups, and of the residents generally of such area. In appointing any such local committee, the Commissioner may include therein members of any existing local redevelopment committees. Financial assistance under this section in connection with projects located in a redevelopment area, for which a local committee has been appointed under this section, shall be extended only to applicants, both private and public (including Indian tribes), which have been approved by such local committee.

(d) Of the funds authorized to be raised under section 9 of this act, not more than \$100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in industrial redevelopment areas, and not more than \$100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in rural redevelopment areas.

#### LOANS FOR PUBLIC FACILITIES

Sec. 7. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area or part thereof, the Commissioner is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof; and

(4) there is a reasonable expectation of repayment.

(b) No loan under this section shall be for an amount in excess of 65 percent of the aggregate cost of the project for which such loan is made. Subject to section 12 (5), the maturity date of any such loan shall be not later than 40 years after the date such loan is made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Commissioner on funds obtained from the Secretary of the Treasury as provided in section 9 of this act, plus one-quarter of 1 percent per annum.

(c) In making any loan under this section, the Commissioner shall require that not less than 10 percent of the aggregate cost of the project for which such loan is made shall be



supplied by the State (including any political subdivision thereof) within which such project is to be located as equity capital, or as a loan. In determining the amount of participation required under this subsection with respect to any particular project, the Commissioner shall give consideration to the financial condition of the State or local government, and to the per capita income of the residents of the redevelopment area, within which such project is to be located.

(d) Any loan made under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any loan made under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(e) Of the funds authorized to be raised under section 9 of this act, not more than \$100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

#### GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) The Commissioner may conduct studies of needs in the various redevelopment areas throughout the United States for, and the probable cost of, land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of useful public facilities within such areas, and may receive proposals from any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, relating to land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any such area. Any such proposal shall contain plans showing the project proposed to be undertaken, the cost thereof, and the contributions proposed to be made to such cost by the entity making the proposal. The Commissioner, in consultation with such entity, is authorized to modify all or any part of such proposal.

(b) The Commissioner, pursuant to a proposal received by him under this section, may make grants to any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute; and

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section. The amount of any grant under this section for any such project shall not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under sec. 7 of this act) for such project, and the amount which is necessary to insure the completion thereof.

(c) The Commissioner shall by regulations provide for the supervision of carrying out

of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(d) There is hereby authorized to be appropriated not to exceed \$75 million annually for the purpose of making grants under this section.

#### FUNDS FOR LOANS

SEC. 9. To obtain funds for loans under this act, the Commissioner may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$300 million. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and shall bear interest at a rate determined by the Secretary of the Treasury, but such rate shall not be greater than the current average yields on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purposes is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated in every respect as public debt transactions of the United States.

#### INFORMATION

SEC. 10. The Commissioner shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Commissioner shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

#### TECHNICAL ASSISTANCE

SEC. 11. In carrying out his duties under this act, the Commissioner is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this act. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Commissioner through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed \$4,500,000 annually.

#### POWERS OF COMMISSIONER

SEC. 12. In performing his duties under this act, the Commissioner is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed; and subject to

the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this act, and define their authority and duties, provide bonds for them in such amounts as the Commissioner shall determine, and pay the costs of qualification of certain of them as notaries public;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Commissioner;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made under this act, beyond the periods stated in such loan or in this act, for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Commissioner. Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Commissioner as a result of loans made under this act if the premium therefor or the amount thereof does not exceed \$1,000. The power to convey and to execute, in the name of the Commissioner, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Commissioner pursuant to the provisions of this act may be exercised by the Commissioner or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, com-



promising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this act;

(10) to such an extent as he finds necessary to carry out the provisions of this act, procure the temporary (not in excess of 6 months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5); any individual so employed may be compensated at a rate not in excess of \$75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed \$15 per diem in lieu of subsistence and other expenses; and

(11) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this act.

#### TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 13. Whenever the Commissioner shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this act, no further assistance shall be granted under this act with respect to such area and, for the purposes of this act, such area shall not be considered a redevelopment area: *Provided*, That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this act if the Commissioner determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this act prior to a determination by the Commissioner that such area no longer qualifies as a redevelopment area. The Commissioner shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

#### URBAN RENEWAL

SEC. 14. (a) Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

#### "INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"Sec. 112. (a) When the Area Redevelopment Commissioner certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a municipality) is situated in an area designated under section 5 (a) of the Area Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) The Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110 (c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or non-profit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further*, That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105 (b).

"(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Redevelopment Act."

(b) The next to the last paragraph of section 110 (c) of such act is amended by inserting after "such projects" the following: "(including projects assisted under section 112 of this title)."

#### URBAN PLANNING GRANTS

SEC. 15. The second sentence of section 701 of the Housing Act of 1954 is amended by adding the following in clause (2) after the words "decennial census which": "(1) are situated in areas designated by the Area Redevelopment Commissioner under section 5 (a) of the Area Redevelopment Act as industrial redevelopment areas, or (ii)."

#### VOCATIONAL TRAINING

SEC. 16. (a) The Secretary of Labor shall determine the vocational training or retraining needs of unemployed individuals residing in redevelopment areas and shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

(b) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the vocational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions: *Provided*, That the Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeship, journeyman, and other job training needed in the locality.

#### RETRAINING SUBSISTENCE PAYMENTS

SEC. 17. The Secretary of Labor shall, on behalf of the United States, enter into agreements with States in which redevelopment areas are located under which the Secretary of Labor shall make payments to such States for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are not entitled to unemployment compensation (either because their unemployment compensation benefits have been exhausted or because they were not insured for such compensation) and who have been certified by the Secretary of Labor to be undergoing training for a new job. Such payments shall be made for a period not exceeding 13 weeks, and the amounts of such payments shall be equal to the amount of the average weekly unemployment compensation payment payable in the State making such payments.

#### PENALTIES

SEC. 18. (a) Whoever makes any statement knowing it to be false, or who willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Commissioner, or for the purpose of obtaining money, property, or anything of value, under this act, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both.

(b) Whoever, being connected in any capacity with the Commissioner (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Commissioner or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Commissioner makes any false entry in any book, report, or statement of or to the Commissioner, or without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Commissioner, or (4) gives any unauthorized information concerning any future action or plan of the Commissioner which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Commissioner shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both.

#### EMPLOYMENT OF EXPEDITORS AND ADMINISTRATIVE EMPLOYEES

SEC. 19. No loan shall be made by the Commissioner under this act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Commissioner the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Commissioner for assistance of any sort, and the fees paid or to be paid to any such person; and (2) execute an agreement binding any such business enterprise for a period of 2 years after any assistance is rendered by the Commissioner to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof

was rendered, or within 1 year prior thereto, shall have served as an officer, attorney, agent, or employee of the Commissioner occupying a position or engaging in activities which the Commissioner shall have determined involve discretion with respect to the granting of assistance under this act.

#### PREVAILING RATE OF WAGE AND 40-HOUR WEEK

SEC. 20. The Commissioner shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects undertaken by public applicants assisted under this act (1) shall be paid wages at rates no less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935 (Davis-Bacon Act), and (2) shall be employed not more than 40 hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed.

#### ANNUAL REPORT

SEC. 21. The Commissioner shall make a comprehensive and detailed annual report to the Congress of his operations under this act for each fiscal year beginning with the fiscal year ending June 30, 1959. Such report shall be printed, and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Commissioner, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Commissioner such information as may be necessary for the purpose of this section.

#### APPROPRIATION

SEC. 22. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

#### USE OF OTHER FACILITIES

SEC. 23. (a) To avoid duplication of activities and minimize expense in carrying out the provisions of this act, the Commissioner shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this act. This act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

#### EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

During the delivery of Mr. DOUGLAS' speech—

Mr. JOHNSON of Texas. Mr. President, will the Senator from Illinois yield briefly to me?

Mr. DOUGLAS. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senate proceed to the consideration of Calendar 1465, Senate bill 2888.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. KNOWLAND. Mr. President, reserving the right to object—although, of course, I shall not object—at this time I should like to suggest the absence of a quorum. In view of the fact that this measure not only deals with the important subject of health and welfare funds, but also will open up the whole field of labor legislation and the question of whether a workers' bill of rights is to be enacted at this session of Congress, I believe it important that all Senators be placed on notice. A series of amendments will be offered.

Therefore, as soon as the Senator from Illinois has concluded his remarks, I intend to suggest the absence of a quorum, so that all Senators may be on notice.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans, which had been reported from the Committee on Labor and Public Welfare with amendments.

#### ORDER FOR ADJOURNMENT UNTIL 10:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I do not wish to insist on making a lengthy statement during the time of the Senator from Illinois. But if he will indulge me a little longer, I should like to make a further request in connection with this matter.

It is hoped that preliminary statements on the employee welfare and pension benefit plans bill will be made today. Senators are already on notice that a number of amendments will be offered to the bill, and some of them have already been filed. Therefore, Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 10:30 a. m. tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

#### LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to announce that it is our present plan to have the session on tomorrow continue late into the evening, in order to have the Senate consider the amendments to the employee welfare and pension benefit plans bill. It is also our intention to have the session on Friday convene at an early hour, if that is agreeable. I have discussed the matter generally with the minority leader. I assume he would have no objection to the entering of an order that the Senate convene at an early hour on Friday—so that all Members may be given notice to that effect.

Mr. KNOWLAND. Mr. President, not only would I have no objection to having the Senate convene at an early hour on Friday, but I should like to state that in connection with the question of agreeing to each of these amendments, I intend to request the yeas and nays. I make that statement now, so that all Senators will be on notice that we intend to request the yeas and nays, and to have the yeas and nays taken, if a sufficient second can be obtained.

Mr. JOHNSON of Texas. It will certainly be possible to have the yeas and nays taken; I assure the Senator from California that there is no disposition not to have the yeas and nays taken on the question of agreeing to the amendments. Of course, preceding the taking of votes on the amendments, there will be complete debate on them.

Mr. President, I should like to request, also, that when the Senate convenes on Friday, it convene at 10 a. m.

Mr. KNOWLAND. Mr. President, I would rather wait until tomorrow, before agreeing to the entering of such an order. I believe it best to have such orders entered from day to day, rather than several days in advance.

Mr. JOHNSON of Texas. Not only do I wish to give notice of my intention to have the Senate meet at 10 a. m. on Friday, but I should also like to have an order to that effect entered. After all, at the beginning of each session, an order is entered for the convening of the Senate at noon on each day.

Mr. KNOWLAND. Mr. President, I realize that; and the Senator from Texas has now given the notice. However, I prefer to have such orders entered daily, except for the general order for the Senate to convene at noon.

Mr. JOHNSON of Texas. Mr. President, I desire to announce, further, that if the Senate does not conclude its action on the bill on tomorrow and on Friday, I hope the Senate will meet on Saturday, and will continue in session then until the bill is finally disposed of, so that final action will be taken on the bill by the weekend. I should like to have all Senators on notice to that effect.

#### ADDRESS BY SECRETARY OF STATE

Mr. SMITH of New Jersey. Mr. President, on Tuesday, April 22—yesterday—the Honorable John Foster Dulles, our distinguished Secretary of State, made an address at the annual memorial dinner of the Military Chaplains' Association of the United States of America at the Hotel Astor in New York City. This address, which I read with the deepest interest and enthusiasm, is inspiring and challenging in its clear-cut emphasis of the need of the strengthening of our spiritual foundations if our civilization is to survive.

In the words of Woodrow Wilson, whom Secretary Dulles quotes:

The sum of the whole matter is this: That our civilization cannot survive materially unless it be redeemed spiritually. . . . Here is the final challenge to our churches, to our political organizations, and to our capitalists—to everyone who fears God or loves his country.



In the course of his address, Secretary Dulles makes some challenging statements:

We must not accept an armaments race, as if to be the greatest military power were a worthy or even acceptable goal.

We must not seek that scientific education and scientific applications monopolize the minds of our youth, as though other values did not matter.

We must not accept the quantity of consumers' goods—automobiles, washing machines, refrigerators, radios, and the like—to be the decisive measure of our society, as though its spiritual content were unimportant.

Sometimes it is indispensable for a nation, as for an individual, to say "No." And those are some of the no's which our Nation should emphasize emphatically and, indeed, proudly utter.

It is my sincere hope that we will all find the time to read Secretary Dulles' speech in full in order to grasp the significance of the real emphasis he places on the basic values of life.

I ask unanimous consent that the entire speech be printed in the body of the RECORD at the conclusion of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE JOHN FOSTER DULLES, SECRETARY OF STATE, AT THE ANNUAL MEMORIAL DINNER OF THE MILITARY CHAPLAINS ASSOCIATION OF THE UNITED STATES OF AMERICA, HOTEL ASTOR, NEW YORK CITY, TUESDAY, APRIL 22, 1958

Captain Goldberg and members and friends of the Military Chaplains Association, I am here first of all to express my deep respect for the military chaplains of the United States.

You sustain the faith of those upon whom patriotism and duty place the heaviest demands. They must, in time of war, sacrifice their lives. And in time of peace they accept discipline and danger in order to maintain the forces needed to deter aggression and to preserve the peace.

You yourselves, the chaplains, sacrifice much and often risk much to perform your high mission.

Your dedication is a noble one. You serve the spiritual life of the individual. Also, you cultivate the spiritual values which collectively are the distinctive characteristic of our Nation and of the civilization of which we form part.

## II

Jesus pointed out that, in His time, the nations of the world were giving priority to material things. He called upon men to seek first the Kingdom of God. Material things would then be added unto them. But such things would be a byproduct, not a primary goal.

It is of the greatest importance to bear that distinction in mind as we face the challenge of an atheistic society which avowedly puts first the search for material things.

The American people are naturally competitive and that is a good thing. During recent decades we have scored so many firsts in so many fields of endeavor that we felt chagrined if, in any field, we are outdone. We react even more strongly when we are outdone by those who are hostile to us, who challenge us and who gloat when they outdo us. There is little doubt, for example, that Sputnik I made it apparent that we had become too complacent. We need at times to be jolted into realization of the fact that our leadership in any field is not automatic. It requires effort and sacrifice. We have need today for greater endeavor and greater sacrifice. But also there is need to be carefullest, in a purely competitive spirit, we be

swept away from our basic spiritual moorings. We must not put first such material successes as are avowedly the goals of Soviet communism.

## III

I should like to interpolate here a comment about the word "Communist." In relation to the Soviet rulers and their practices, we are using the title that the ruling party within the Soviet Union applies itself. However, communism is not actually practiced within the Soviet Union and the challenge we face does not come from those who follow the lofty maxim "from each according to his abilities, to each according to his needs." When the Soviet Constitution was last amended, there was a discussion on whether to introduce that maxim into the Constitution. That proposal was rejected on the ground that Soviet society was not yet ready for that high standard, and I fear indeed that it is not.

The humanitarian concepts of mercy and of need and of justice have little place in the Soviet system. Material productivity, work, is the official goal. There is of course a small privileged class. But the people generally are provided for only to the extent needed to make them competent physical workers for the State. They are bound under severe penalties to labor, as directed by their rulers, in order to achieve the material levels set for them not by their needs, but by the state.

## IV

One of the goals of Soviet communism, probably its primary goal, is to achieve the world's greatest military establishment and then be able to frighten others into a mood of subservience. The Soviet Union devotes more than 15 percent of its gross national product to military purposes. Soviet propaganda seeks for the most part, to divert attention from the magnitude of that military effort. It talks about peace and about disarmament. But it also makes crude military threats whenever that seems likely to serve its ambitions.

The Soviet Government has not made one single serious proposal to limit modern armament. It has rejected or evaded many such proposals made to it. The Soviet Government now boasts that it has the world's greatest capacity for long-range massive destruction. We question the accuracy of that boast. But we do not question that the Soviet Union has in its power to create and indeed has already created a very great military potential indeed.

A second Soviet goal is to excel in the field of science and scientific applications. Here again they boast that they are already supreme in terms of numbers of their scientists and in terms of spectacular scientific accomplishments, such as the first man-made earth satellite. Some aspects of their claims are questionable. But we cannot question that when a despotism makes mass education a matter of science and directs its most qualified youth into that channel, it can obtain very great scientific results indeed.

Throughout the ages despots have achieved the spectacular. The Pharaohs had their pyramids, the Roman emperors had their colosseums for their gladiator battles, the kings of France had their palaces. No doubt the rulers of Russia can produce the equivalent, in modern terms.

I turn now to a third Soviet goal. Their rulers say that the Soviet Union will become the world's greatest producer of consumers' goods. Stalin said that the Soviet Union should be a country fully saturated with consumers goods. Khrushchev repeats the same theme and boasts that the Soviet Union in this field too will outdo the United States. He admits that to achieve that goal will take time. But who can say that a purely materialistic society may not, perhaps, produce greatly, perhaps most greatly, in purely material things?

## V

Faced by such materialistic challenges, the essential is that our society should not accept the premises of these challenges. We should not compete under the rules that that challenger lays down. We should not make ourselves over into the image of the very thing we hate. We find the atheistic, militaristic and materialistic creed of Soviet communism to be repugnant to us. Let us be sure that we do not copy it.

We must not accept an armaments race, as if to be the greatest military power were a worthy or even acceptable goal.

We must not seek that scientific education and scientific applications monopolize the minds of our youth, as though other values did not matter.

We must not accept the quantity of consumers' goods—automobiles, washing machines, refrigerators, radios, and the like—to be the decisive measure of our society, as though its spiritual content were unimportant.

Sometimes it is indispensable for a nation, as for an individual, to say "No." And those are some of the no's which our Nation should emphasize emphatically and, indeed, proudly utter.

We say "No" to making it our goal to be the world's greatest military power and to be able militarily to dominate the world. Twice within this century war effort has made us incomparably the greatest military power. And, each time, when peace came we quickly abandoned that role. We do not seek it now. Today, our Military Establishment, in terms of deterrents, is probably supreme. We hope so. But our military goal is, as put by George Washington, and repeatedly reaffirmed by Dwight D. Eisenhower, to have a respectable military posture—that is, a military establishment that others will treat with respect.

Too often we have not had that, with tragic results. Militaristic despots have treated us with contempt, as a military cipher that they did not need to take into account in their calculations. As a result, there have been wars that might, perhaps, have been avoided.

Today we have, and I trust will continue to have, a military posture that others do respect. It safeguards the peace not merely for ourselves but for others who join with us to establish collective security against aggression. In this sense, our strength is a sacred trust for the benefit of free men who band together to create a shield behind which they can carry on their peaceful pursuits.

If, today, we wanted to dominate the world militarily we have it within our power. We need only take, for military purposes, the same percentage of our national production that is taken by the Soviet Union of its national production. We need only impose on our people some small fraction of the austerity that is imposed on the Soviet peoples. I do not doubt that the American people would readily accept greater sacrifice if future developments made that needed to enable our Nation to maintain a respectable military posture. But God forbid that the day should ever come when the American people became a militaristic people, seeking military might as an end in itself.

We can rejoice that we reject, for ourselves, the military goals that the Soviet rulers set for themselves.

## VI

Let us turn to the matter of education. We say "No" to education being nationalized with a view to producing the greatest possible number of scientists. We do not look upon education as a process whereby the minds of our youth are manipulated by government so that they can better serve to glorify the state. Our primary goal, in the field of education, is to train minds so that the individual can more surely and more fully achieve his God-given potentialities.

No doubt our educational system has deficiencies. These ought to be remedied. Also, no doubt we need more scientists and we shall have them. This is an era of scientific breakthroughs. It challenges the imagination and effort of men. We would be far gone in decadence if our youth were not stimulated by what today opens up for exploration. But we do not forget that our educational system should also produce those who are well-versed in the humanities. I certainly do not need to remind this gathering that our Nation needs more and better theological seminaries and more and better students in them. For religion is the foundation of our society.

The Soviet Union, obsessed by its materialistic dogma and seeking exhibits to glorify its despotisms, is creating a society of educational unbalance. Probably, in that way, it will achieve some spectacular results, designed to promote its expansionist ambitions. But such unbalance is unnatural and fraught with unpredictable consequences.

For our part, I can, I think, be said with confidence that our educational system will continue to be a balanced one; that it will not concentrate wholly on the sciences, and that it will not be operated by the Federal Government in order to enable that Government to produce mere servants to aid it in scientific and military exploits.

We can rejoice that we reject, for ourselves, the goal that the Soviet rulers have set themselves, that is, to make all education primarily a matter of scientific specialization in the interest of State glorification and militarization.

#### VII

Let us turn now to the matter of producing consumers' goods. It is tempting for us to accept the Soviet challenge to make the material productivity of our respective systems the test by which we shall be judged. Today we produce many times as much consumers' goods as does the Soviet Union and we expect that it will continue to be that way. But I know of no inherent reason why a materialistic despotism might not produce as much as does a spiritual society of freedom.

Our own rate of production could, perhaps, be increased if it were not that labor is free and authorized, and indeed encouraged, to organize and bargain for hours and conditions of labor. We have long since abolished slave labor and have ceased to treat labor as a commodity.

We believe that free labor, using the constantly perfected machinery that free enterprise supplies, will always achieve unrivaled productivity. But that, if it happens, is a byproduct. We do not want labor to be free merely because thereby it is more productive. We want labor to be free because freedom is its right.

We can rejoice that we do not give material productivity the priority given it by Soviet despotism. We have demonstrated that free men, working at tasks of their choice, under conditions largely of their making, have achieved the greatest measure of productivity yet known. All the world can see that adequate, indeed ample productivity, can be achieved without enslavement and without the surrender of freedom. It is possible to have both productivity and freedom.

#### VIII

It is, of course, not enough to be negative and to refuse to accept the militaristic and materialistic goals of Communist imperialism. We also have a positive challenge of our own.

The American people have always had qualities of the spirit that could be, and were, projected far and wide.

Our Nation was founded as an experiment in human liberty. Its institutions reflected the belief of our founders that men had their

origin and destiny in God; that they were endowed by Him with certain inalienable rights and had duties prescribed by moral law; and that human institutions ought primarily to help men develop their God-given possibilities. We believed that if we built on that spiritual foundation we would be showing men everywhere the way to a better and more abundant life.

We realized that vision. There developed here an area of spiritual, intellectual, and economic vigor, the like of which the world had never seen. It was no exclusive preserve; indeed world mission was a central theme. Millions were welcomed from other lands, to share equally the opportunities of the founders and their heirs. Through missionary activities, the establishment of schools and colleges, and through travel, American ideals were carried throughout the world. We gave aid and comfort to those elsewhere who sought to follow in our way and to develop societies of greater freedom.

Material things were added unto us. Our political institutions worked. That was because they rested upon what George Washington said were the indispensable supports of representative government, that is morality and religion. And, he added, it could not be assumed that morality would long prevail without religion.

Our people enjoyed an extraordinary degree of personal liberty. That was because the individuals making up our society generally accepted, voluntarily, the moral law and the self-discipline, self-restraint and duty to fellow man that the moral law enjoins.

I recall a debate that I had with Mr. Vichinsky in the United Nations in 1946. He said "It is indispensable to bring a limitation to the will and to the action of men." Therefore, he argued, some men must have power to rule others. If one denies the existence of moral law, as do the Communists, then dictatorship is the only logical form of society. But a society that accepts moral law need not be ruled by men. It can make government its servant, not its master; it can make government the means of doing collectively what needs to be done, and what cannot will be done individually. That is what the American people have done and that is their great challenge to the world of despots.

I hear it asserted today that the qualities that made America honored and judged great throughout the world no longer have an adequate appeal and that we must invent something new in order to compete with Soviet dictatorship and its materialism.

My first reaction is that faith is not something put on, taken off, or changed merely to please others.

My second reaction is to challenge the correctness of the assertion. It may be that, partly through our own faults and partly through Communist publicizing of our faults, the image of America has become distorted in much of the world. Our individual freedom is made to appear as individual license and a casting aside of those restraints that moral law enjoins and that every society needs.

Sales talk based on the number of automobiles, radios, and telephones owned by our people fails to win converts, for that is the language of the materialists.

Our capitalistic form of society is made to appear as one devoid of social responsibility.

I do not believe that human nature throughout the world has greatly changed from what it was when "the great American experiment" in freedom caught the imagination of men everywhere. I am afraid that the fault, if any, may be here at home in that we ourselves have lost track of the close connection between our faith and our works and that we attempt to justify our society and to make it appealing without regard to the spiritual concepts which underlie it and

make it work. So many material things have been added unto us that what originally were secondary byproducts now seem to rank as primary. And if material things are to be made primary, then it is logical to have a materialistic creed that justifies this primacy.

Woodrow Wilson, shortly before he died, wrote of the challenge of the doctrines and practices of communism. He concluded:

"The sum of the whole matter is this: That our civilization cannot survive materially unless it be redeemed spiritually. \* \* \* Here is the final challenge to our churches, to our political organizations, and to our capitalists—to everyone who fears God or loves his country."

The response of our free and spiritual society to this challenge of a materialistic despotism must, above all, come from individuals rather than from government. That must be so because what is being tested is the merit of a free spiritual society as against a materialistic despotism. There is, of course, a role for government. But the present test can never be won by freedom if, to win it, freedom has, more and more, to abdicate and to speak and act only through government. Only individuals, by their conduct and example, can make freedom a dynamic, persuasive, and wanted thing. And individuals will do that only if they are under the influence of moral principles and great religious concepts such as those represented by the faith of you, the military chaplains of the United States, and to you we pay all honor.

#### LIMITATION OF APPELLATE JURISDICTION OF THE SUPREME COURT

Mr. JENNER. Mr. President, the controversy over my bill, S. 2646, continues to bring forth misstatements about the bill, about the purposes back of it, and about the nature of the support for it.

Because I have taken the floor several times to correct errors of interpretation and downright misstatements about this bill, I find that most of the bill's attackers in the public press are now simply repeating points which have already been answered fully, and perpetuating misconceptions or misconstructions which already have been corrected on the record. However, occasionally some new charge crops up, and when some new misstatement is called to my attention which seems particularly flagrant, it will be my purpose to lay the facts before the Senate.

In the New York Times of March 16, 1958, appeared a 2-column article under the byline of Anthony Lewis, which in addition to repeating some of the charges I have already answered, contained this statement:

No lawyer of substantial reputation in the profession has come forward to support the Jenner bill.

This statement, Mr. President, not only is wholly false, but is indefensible as an honest error; because the hearings of the Internal Security Subcommittee on my bill were completed and in print on March 10, and had been available to Mr. Lewis for almost a week before his story of March 16 appeared in the Times.

So that the record may be clear on this point, Mr. President, I want to quote from the record of the hearings, to show some of the lawyers of substantial reputation in the profession who did come forward to support the Jenner bill.



One of these witnesses was Mr. J. Benjamin Simmons, member of the Bar of the District of Columbia, member of the Bar of the State of Maryland, and member of the Bar of the State of Virginia. Mr. Simmons has been admitted to practice before the Supreme Court of the United States, is a member of the District of Columbia Bar Association and of the American Bar Association, and has been in the private practice of law in the Nation's Capital for the past 19 years.

Mr. Simmons said, at page 282 of the hearings:

I share the view that this is a good bill. That the provisions of this bill should be enacted into law.

At page 283 of the hearings, the record shows that Mr. Simmons said:

And I say that the Supreme Court has hamstrung the Congress which was never under the Constitution intended.

Another witness who testified in support of the Jenner bill was Clarence Manion of South Bend, Ind., who for more than 25 years was professor of constitutional law at the University of Notre Dame, and for 11 years was dean of the University of Notre Dame Law School. Mr. Manion is at present a practicing attorney with offices in the St. Joseph Bank Building, South Bend, Ind. Surely not even Mr. Anthony Lewis, much as he may disagree with Dean Manion's testimony on the Jenner bill, and perhaps with Dean Manion's whole philosophy, would be willing to assert that Dean Manion is not a lawyer of substantial reputation.

Dean Manion's testimony on the Jenner bill was exceedingly cogent. The record shows—at page 582—that he said:

I believe that the appellate jurisdiction of the Supreme Court should be limited in the cases described and set forth in this bill.

On the same page of the record will be found this statement by Dean Manion:

The proposed legislation will restore constitutional powers to the Congress and to the State which the Supreme Court has usurped, destroyed and/or impaired by certain of its recent decisions and particularly by the 15 decisions cited in the report by a committee of the American Bar Association, called the committee on Communist tactics, strategy, and objectives.

Referring to recent Supreme Court decisions, Dean Manion said—at page 583 of the hearings:

But when a long train of judicial abuses and usurpations pursuing the same object threatens to reduce the constitutional powers of the legislative arm to impotence in the face of threatened Communist despotism, it is the duty of the Congress to throw off the misused mechanism of judicial usurpation and provide new guards for the security of its constitutional powers and for the protection of the country.

A little farther down on the same page of the record will be found this statement by Dean Manion:

The record of the Supreme Court during the past 2 years in all cases affecting Communists and communism is a history of usurpations and invasions of the constitutional powers of Congress and the reserved rights and responsibilities of the States of the Union.

On pages 588 and 589 of the hearing record, Senators will find this statement by Dean Manion:

Passage of S. 2646 will stop the Communists' boast that as a result of the recent Court decisions they don't have to tell Federal or State investigators anything but that the FBI has to tell the Communists everything. Passage will serve notice to both sides of the Iron Curtain that America's internal security is adequate to meet all Soviet subversion.

The constitutional provision for the enactment of this bill is crystal clear. Much has been said about the separation-of-powers principle. I want to emphasize that no express provision of the Constitution provides for the separation of powers or for the independence of the judiciary principles which are now advanced as arguments against S. 2646. On the contrary, Congress is expressly authorized to do what this bill proposes to accomplish. No such provision of the Constitution can be regarded as surplusage. No such provision has ever been so regarded by Congress or the courts.

Nevertheless, in my judgment, the fact that this bill is well supported by historical and legal precedent is secondary to the realities of our war against communism. The Rockefeller, the Galters, and others are reporting to us that the United States is threatened with annihilation by the Communists. The President confirms this and so does the Defense Department. Senate bill 2646 presents us with a condition rather than a theory. Strong as we are and strong as we may become in our anti-Communist military bastions here and around the world, the fact remains that the immunities which these Supreme Court decisions extend to our enemies here, behind our own lines, will still obtain when and if our cold war with communism and Communists suddenly gets hot. Can Congress provide for the common defense in spite of the interdictions of the Supreme Court? The Constitution says that Congress can and your bill, Mr. Chairman, proposes that it do so.

Another witness who testified in support of the Jenner bill was Mr. Irving G. McCann, of Washington, D. C. Remember, Mr. President, Mr. Anthony Lewis wrote in the New York Times that "no lawyer of substantial reputation in the profession has come forward to support the Jenner bill." Mr. Irving G. McCann has academic degrees from four colleges and universities, and is a member of the bar of the United States District Court and of the Court of Appeals for the District of Columbia, the United States Supreme Court, and several other Federal and State courts. He has practiced law for 40 years and at present is an associate of and trial lawyer for the firm of Brookhart, Becker & Dorsey, of Washington, D. C.

Mr. McCann has served as special assistant to the Attorney General of the United States, as counsel for three select committees of the House of Representatives, and as General Counsel of the Standing Committee on Education and Labor of the House of Representatives in the 80th Congress. He is author of the book *Why the Taft-Hartley Law?*

This is what Mr. McCann said. I am quoting from page 137 of the hearings on S. 2646:

I appear before your committee to urge that legislation be enacted not only to limit the authority of the United States Supreme Court to prevent it from encroaching upon the constitutional rights granted to the Congress and executive branch, but also to stop

the Supreme Court from meddling with the rights reserved in the Constitution to the States and to the people.

Another witness in the group of lawyers who came forward to support the Jenner bill—a group which Mr. Lewis has charged contained no lawyer of substantial reputation in the profession—was the Honorable William Old, circuit judge of Chesterfield County, Va. Judge Old was born and raised in Virginia; educated at Custer Springs Academy and Washington and Lee University; and has been described as the father of the so-called interposition doctrine which recently arose in Virginia and other States. This is what Judge Old said, at page 168 of the hearing record:

It is indeed regrettable that it has become necessary for the Congress to consider the expedient of withdrawing from the Supreme Court appellate jurisdiction in the fields specified in the bill under consideration. However, it is now clearly apparent, from a long list of revolutionary decisions by the Supreme Court, headed by Chief Justice Warren, that the Court is determined to destroy our dual system of government under the Constitution, and create, by usurpation and encroachment, a judicial oligarchy of unparalleled proportions.

And at page 171 of the record, Senators will find that Judge Old said:

I hope this bill will unquestionably be passed.

Mr. President, one of the most eminent and competent trial lawyers in Tennessee is Mr. W. E. Michael, of Sweetwater, Tenn. He has been engaged in the general practice of law in the State and Federal courts since 1925. Mr. Michael is another member of the group of lawyers who testified in support of the Jenner bill. He said, at page 246 of the hearing record:

This legislation has been made necessary by a trend of opinions by the Supreme Court within recent years by which the judicial department of government has repeatedly encroached upon the prerogatives of the legislative and executive branches of government. This usurpation of power, without constitutional authority, not only relegates to subordinate positions the legislative and executive branches, but has the effect of destroying the sovereignty of the individual States, their constitutions and courts, by creating a highly centralized Federal Government headed by a supercourt.

The sad thing is that a great newspaper such as the New York Times had all this testimony available a week before running the story. What goes on among the "free press"?

At page 250 of the hearing record appears this statement by Mr. Michael:

I would like to say in the beginning that I am very reluctant to appear in the capacity of being critical of the courts, and it is only a deep sense of responsibility to my country and my profession that impels me to appear here in support of Senate bill 2646 to limit the jurisdiction of the Supreme Court in the respects specified in the bill.

On the next page of the record, Senators will find this statement by Mr. Michael:

The enactment of this bill will be a step in the right direction, but it should be considered only as a step and not a complete cure.

And on page 256, the record shows Mr. Michael declared:

I appreciate the opportunity to appear here on behalf of this bill, and I hope that it will be reported favorably, and passed.

Another witness who came forward to support the Jenner bill, Mr. President, was Andrew Wilson Green of Harrisburg, Pa.

Mr. Andrew Wilson Green is a graduate of Dickinson School of Law. He is a member of the bar of Pennsylvania, a member of the bar of the District of Columbia, and a member of the bar of the Supreme Court of the United States. He is a veteran of World War II. He is a member of the American Legion, having served as commander of Camp Hill Post No. 43, in Pennsylvania. He served as chairman of the countersubversive activities committee of the 19th district of Pennsylvania of the American Legion, and was a member of the national countersubversive activities committee of the American Legion. He is secretary of the Harris Ferry Chapter, Sons of the American Revolution. He is a member of the board of management of the Pennsylvania Society, Sons of the American Revolution. He is a former chairman of the Dauphin County Pennsylvania Young Republicans.

Mr. Green told us:

It is apparent that the Supreme Court of the United States has gone hog wild on a few of the most vital conceptions of our form of constitutional government. Unless the ravages of their destruction are stopped, we shall be faced with but an empty shell of a Constitution, and we shall be left defenseless before the most insidious and diabolical enemy which this country, or any other, or civilization has ever faced—I mean the enemy communism.

That statement by Mr. Green appears on page 305 of the hearing record. At page 328, this statement by Mr. Green will be found:

In conclusion, let me say, this bill must pass; the future security and existence of our country depends upon it. If after the provocation which the Congress has suffered from our present Supreme Court, this bill were to fail of adoption, it seems to me that an early extinction of our Republic is almost certain.

The hearing record contains a letter from Mr. A. S. McSwain, Jr., professor of law at the Baylor University School of Law, Waco, Tex. Certainly, Mr. President, it cannot be rightly said that Professor McSwain has "no substantial reputation in the profession." Here is what Professor McSwain said, as reported at page 451 of the hearings:

The Congress has its own duty to interpret the Constitution. So do State legislatures, State and Federal courts, school boards, and the executive branch of the United States. When a court shows itself to be bent on arrogating legislative powers to itself, I can see no objection to the act of the legislative body in limiting the powers of the court.

It is interesting, Mr. President, to note that this statement by Professor McSwain was contained in a letter to the Senator from Missouri [Mr. HENNINGSEN] and was offered for the RECORD by the Senator from Missouri.

Another witness who came before us was the Honorable John Lee Smith, former Lieutenant Governor of Texas. Mr. Smith has practiced law in Texas for more than 40 years, and is one of the best known lawyers in that State. By no stretch of the imagination can it be said that his reputation is not "substantial." Mr. Smith told us, at page 509 of the hearing record:

I can think of no more brazen usurpation of power by one branch of the Government from another than this seizure of power definitely vested in the Congress. In other words, the Supreme Court by judicial fiat vests a power within itself which the Constitution has vested in the Congress.

At page 511 of the record appears this statement by Mr. Smith:

Every constitutional right of the people in their Congress and in their States, is menaced by a Court that itself treats the Constitution with contemptuous disregard; that usurps to itself powers that belong to the Congress and to the States; and that seems to take delight in shattering the security of this country, security built up through legislation designed to curb disloyalty, treason, and sedition. This is the task Congress must face up to and must accomplish before it is too late. For these reasons, I commend to your serious consideration S. 2646.

Mr. Eugene S. Bibb, of Baltimore, Md., is a graduate of the University of Minnesota. He did graduate work at Columbia University and at Oxford University in England. He is a veteran of the Mexican Punitive Expedition, of World War I, and of World War II, and saw combat in all of those wars. He has been a member of the bar of the United States Supreme Court and the bars of Minnesota and New York for more than 35 years. Since 1950 he has been a writer, lecturer, and radio commentator. Mr. Bibb told us, at page 526 of the hearing record:

My sole criticism of this well-thought-through bill is that it does not go far enough.

Another statement by Mr. Bibb, appearing on pages 526 and 527 of the hearing record, was this:

At the outset I must make it clear that no man reveres our judicial system more than I do \* \* \* but when the Supreme Court sets itself up above the law of the land and sits arrogantly in prideful menace to the Republic, then I vigorously contend that it is time for Congressional discipline of the offending members of that Court and a stern curbing of the limitless power for evil usurped by this Court.

At page 530 of the record, Senators will find this statement by Mr. Bibb:

What the Jenner bill seeks is to shove the Supreme Court back into its own backyard and to prevent it from further arrogation of authority, from further attempts to rewrite the law to conform to its own socialistic sophistries, and from further judicial encroachments into the legislative field which is the exclusive function of the Congress.

Farther down on the same page, Senators will find this statement by Mr. Bibb:

If this sound bill serves to chasten the arrogant Supreme Court majority, to discipline it into a realization that it is not a law unto itself, to bring back a reasoning, logical interpretation of the Constitution without destruction of the letter and spirit

thereof, then, indeed, will the legislation well serve the best interests of the Republic.

Mr. Thomas Wynn Holloman, of Alexandria, La., is one of the deans of the Louisiana bar, having practiced law in the State and Federal courts of Louisiana for 50 years. Here is what he said:

Apparently growing power-hungry, the Supreme Court in late years and on nearly every decision day erases some other constitutional rights or power of the States and even undertakes to police the Congress itself. It decrees the "law of the land" in the face of the Constitution and the powers of Congress in that instrument.

On the same page of the record, page 547, Mr. Holloman concluded:

Hence this bill by Senator JENNER. Woe betide if it does not pass.

Mr. President, Mr. Harry H. Marshall, of Alton, Ill., is a graduate of Northwestern University and of St. Louis University Law School, and has been engaged in the practice of law since 1951. He is one of the better known young lawyers in downstate Illinois. He is a partner of J. Fred Schlafly, Jr., who has long been one of the leaders of the American Bar Association. At page 609 of the hearing record, Senators will find this statement by Mr. Marshall:

Passage of S. 2646 will restore the balance of powers provided in the Constitution by demonstrating that section 2 of article III, which gives Congress a check on the Supreme Court, is not a dead letter, but, as in the past, has life and meaning.

A little further on—the quotation appears on page 610 of the hearing record—Mr. Marshall said:

Passage of S. 2646 will stop the Communists' boast that as a result of the recent Supreme Court decisions they don't have to tell Federal or State investigators anything but the FBI has to tell the Communists everything.

Further down the same page, Senators will find this statement by Mr. Marshall:

Passage of S. 2646 will end the Supreme Court treatment of agents of the 33 million member Red conspiracy, which controls one-third of the world, as little Red Riding Hoods who must be protected from the big bad wolf of a public investigation. Passage will serve notice to both sides of the Iron Curtain that America's internal security is adequate to meet all Soviet subversion.

The dean of Baylor University School of Law at Waco, Tex., is the Honorable Abner V. McCall. He is one of the most highly regarded—almost revered—teachers of law in the whole Southwest. In a letter to the Senator from Missouri [Mr. HENNINGSEN], which the Senator from Missouri offered for our hearing record, and which appears at page 450 of the printed hearings, Dean McCall declared:

While national uniformity and consistency of law in some matters are to be desired, in others regional variations might well produce better results. This bill seems to be an excellent compromise between the demand for 48 separate solutions by the States and the demand for one national solution.

Another law-school dean who favors the Jenner bill is Dean Kenneth F. Simpson of the State University of South Dakota School of Law at Vermillion, S. Dak. The Senators from South Dakota will



testify, I am sure, that Dean Simpson is a lawyer of substantial reputation in the profession. His statement is particularly interesting, Mr. President, because it implicitly attributes to the Supreme Court an inclination to declare unconstitutional what the dean describes as "a perfectly constitutional exercise of the power expressly given the Congress in article III, section 2, of the Constitution."

Dean Simpson declared—at page 450 of the hearing record:

I would view this bill as a perfectly constitutional exercise of the power expressly given the Congress in article III, section 2, of the Constitution. I would predict, however, that if enacted it would nevertheless be declared unconstitutional by the presently constituted Court at its first opportunity. I think it should still be enacted, that it would serve as a strong protest, and would therefore be worth while.

Mr. President, even an associate professor of law at Notre Dame Law School, Notre Dame, Ind., can hardly be said to lack substantial reputation in the profession. Mr. W. J. Wagner, who is associate professor of law at Notre Dame Law School—and Senators will find this statement at page 447 of the hearing record—declared:

I see some merit in the proposed legislation. As abhorrent as the idea of limiting the jurisdiction of the supreme judicial body of the United States is, maybe it would permit the Nation to be governed by measures required by the circumstances, not by legal dogmas, real or imaginary, which prove unworkable in some situations presented.

At page 484 of the hearing record, Mr. President, appears a letter to me from the Honorable Leon M. Bazile, judge of the 15th judicial circuit, Ashland, Va. Certainly Judge Bazile is a lawyer of substantial reputation in the profession, Mr. Anthony Lewis in the New York Times to the contrary notwithstanding. Here is what Judge Bazile wrote:

DEAR SENATOR JENNER: It is gratifying to those who respect the Constitution of the United States to know that you are trying to curb the Supreme Court which has no respect for that great instrument.

Mr. J. Nicholas Shriver, Jr., of Baltimore, Md., a member of the firm of Cross & Shriver, attended our hearings as a representative of the Maryland Action Guild and the Maryland Forum. The Senators from Maryland will, I am sure, attest that Mr. Shriver is a lawyer of substantial reputation in the profession. Mr. Shriver said, at page 540 of the hearing record:

We urge the Congress to pass the Jenner bill in order to try, by this law, to reestablish our defenses against communism at home. We urge the Congress to recognize the proposition that the expenditure of billions and more billions for military defense against armed attack is a foolish waste of our substance if we are going to let our enemies at home have a free hand. Unless Congress reasserts its authority, the Supreme Court will have succeeded in destroying America without requiring Soviet Russia to fire a single missile.

Mr. George B. Stallings, Jr., of Jacksonville, Fla., is a practicing lawyer in Jacksonville, Fla. He is a member of the Jacksonville Bar Association, the

Florida Bar Association, and the American Bar Association. He appeared on behalf of the Duval County Federation for Constitutional Government, which is affiliated with the Florida Federation for Constitutional Government. At page 329 of the hearing record, Senators will find this statement by Mr. Stallings:

We desire the passage of this bill because we are deeply concerned about the internal security of the Nation. Our primary foundation for desiring the passage of such legislation is the fact that we believe that the Congress, who represents the people, should protect the people from any and all abuses dealt to the people by the Supreme Court, which Court is not elected by the people nor directly accountable to the people. The Congress is the one body to which we look for preservation of our American way of life as epitomized in the United States Constitution.

Mr. President, I think Mr. Anthony Lewis and the New York Times owe apologies to all the lawyers from whose testimony I have quoted. To declare that a lawyer has no substantial reputation in the profession is a serious charge. It should not be made lightly. Above all, it should never be made for the purpose of discrediting the testimony of a witness, unless there is the fullest justification for making it.

I venture to say that neither Mr. Anthony Lewis nor the New York Times made any effort to check on the professional standing of any of the fine lawyers who have come forward in support of my bill. The Times story which Mr. Lewis wrote simply lumped them all together with a slurring reference. This is not the way, Mr. President, to get at the truth. It is a device unbecoming any newspaper, even when used editorially. In this instance, the New York Times and Mr. Lewis were not speaking editorially. The statement that "no lawyer of substantial reputation in the profession has come forward to support the Jenner bill" was made as a statement of fact, unqualified in any way. I think I have demonstrated that this statement was wholly false. I hope the Times will take note of the great injustice—to say the least—which it has done to the outstanding lawyers whose testimony I have quoted today from the official records of the Senate, which record was available 1 week before the slurring article of misstatements and downright lies appeared in the New York Times.

If no correction and apology is forthcoming from the Times, Mr. President, I am afraid we shall have to assume that anyone, even a Member of this body, who supports the Jenner bill runs the risk of being slurred and demeaned by this newspaper. I earnestly hope that none of my colleagues will be swayed by this contemptible form of pressure.

I yield the floor.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Barrett	Bible
Allott	Beall	Bricker
Anderson	Bennett	Bridges

Bush	Hill	Mundt
Byrd	Hoblitzell	Murray
Capehart	Holland	Neuberger
Carlson	Hruska	O'Mahoney
Carroll	Ives	Pastore
Case, N. J.	Jackson	Potter
Case, S. Dak.	Javits	Proxmire
Chavez	Jenner	Purtell
Church	Johnson, Tex.	Robertson
Clark	Johnston, S. C.	Russell
Cooper	Kefauver	Saltonstall
Cotton	Kennedy	Schoeppel
Curtis	Kerr	Smathers
Dirksen	Knowland	Smith, Maine
Douglas	Kuchel	Smith, N. J.
Dworshak	Langer	Sparkman
Eastland	Long	Stennis
Ellender	Magnuson	Symington
Ervin	Malone	Talmadge
Flanders	Mansfield	Thurmond
Frear	Martin, Iowa	Watkins
Fulbright	Martin, Pa.	Wiley
Goldwater	McClellan	Williams
Gore	McNamara	Yarborough
Green	Monroney	Young
Hayden	Morse	
Hickenlooper	Morton	

Mr. MANSFIELD. I announce that the Senator from Missouri [Mr. HENNINGSEN] and the Senator from Minnesota [Mr. HUMPHREY] are absent on official business.

The Senator from Ohio [Mr. LAUSCHE] is absent because of a death in the family.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent.

The Senator from West Virginia [Mr. REVERCOMB] and the Senator from Minnesota [Mr. THYE] are absent on official business.

The PRESIDING OFFICER. A quorum is present.

#### EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. KENNEDY obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield to me for some insertions in the RECORD?

Mr. KENNEDY. I am glad to yield, provided I do not lose the floor.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD at this point a series of amendments which I am proposing to offer to the pending bill at the appropriate time, together with an explanation of each amendment.

There being no objection, the amendments and explanations were ordered to be printed in the RECORD, as follows:

At the end of the bill add the following new section:

"SEC. 19. Section 9 (g) of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following: 'The Secretary of Labor shall make available to the public, in accordance with such regulations as he may deem appropriate, the information filed by labor organizations pursuant to this subsection and subsection (f). The Secretary shall inspect such of the information so filed as he may deem necessary for the purpose of determining its accuracy, and if he is of the opinion that false information has been filed in any case he shall bring the facts with respect thereto to the attention of the Attorney General.'"

## EXPLANATION

Sections 9 (F) and 9 (G) of the Labor-Management Relations Act of 1947 require the filing with the Secretary of Labor, information concerning the constitution, bylaws and financial activities of labor organizations who seek to use the processes of the National Labor Relations Board. Although there is nothing in the legislative history of the Taft-Hartley Act, or in the act itself, directing that this information is classified information, the Secretary has taken the position that this data can only be viewed by a member in good standing of the union requesting it. However, during recent months, both the Secretary of Labor and representatives of national labor organizations have stated there was no valid reason for this information to be kept secret. Inasmuch as there is no disagreement on this change in the law, and since the Secretary and labor representatives have in fact requested this change, I hope the Members will speedily approve this amendment.

On page 1, between lines 2 and 3, insert the following:

## "TITLE I—WELFARE AND PENSION PLANS"

On page 1, line 3, strike out "That this act," and insert in lieu thereof:

## "SECTION 1. This title."

On page 1, line 6, strike out "Sec. 2" and insert in lieu thereof "Sec. 102."

On page 3, line 6, strike out "act" and insert in lieu thereof "title."

On page 3, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 103."

On page 3, line 18, strike out "act" and insert in lieu thereof "title."

On page 6, line 5, strike out "act" and insert in lieu thereof "title."

On page 6, line 10, strike out "Sec. 4" and insert in lieu thereof "Sec. 104."

On page 6, line 11, strike out "act" and insert in lieu thereof "title."

On page 7, line 7, strike out "act" and insert in lieu thereof "title."

On page 7, line 23, strike out "Sec. 5" and insert in lieu thereof "Sec. 105."

On page 8, line 3, strike out "8" and insert in lieu thereof "108."

On page 8, line 4, strike out "act" and insert in lieu thereof "title."

On page 8, line 7, strike out "act" and insert in lieu thereof "title."

On page 9, line 4, strike out "act" and insert in lieu thereof "title."

On page 9, line 8, strike out "6" and insert in lieu thereof "106."

On page 9, line 12, strike out "Sec. 6" and insert in lieu thereof "Sec. 106."

On page 9, line 22, strike out "8" and insert in lieu thereof "108."

On page 9, line 23, strike out "5" and insert in lieu thereof "105."

On page 10, line 6, strike out "act" and insert in lieu thereof "title."

On page 11, line 18, strike out "act" and insert in lieu thereof "title."

On page 13, line 16, strike out "act" and insert in lieu thereof "title."

On page 16, line 23, strike out "act" and insert in lieu thereof "title."

On page 17, line 2, strike out "Sec. 7" and insert in lieu thereof "Sec. 107."

On page 17, line 4, strike out "act" and insert in lieu thereof "title."

On page 17, line 17, strike out "act" and insert in lieu thereof "title."

On page 17, line 20, strike out "Sec. 8" and insert in lieu thereof "Sec. 108."

On page 17, line 20, strike out "6" and insert in lieu thereof "106."

On page 17, line 24, strike out "act" and insert in lieu thereof "title."

On page 18, line 2, strike out "5" and insert in lieu thereof "105."

On page 18, line 2, strike out "6" and insert in lieu thereof "106."

On page 18, line 14, strike out "5" and insert in lieu thereof "105."

On page 18, line 15, strike out "6" and insert in lieu thereof "106."

On page 18, line 16, strike out "7" and insert in lieu thereof "107."

On page 18, line 22, strike out "6" and insert in lieu thereof "106."

On page 19, line 2, strike out "act" and insert in lieu thereof "title."

On page 19, line 4, strike out "Sec. 9" and insert in lieu thereof "Sec. 109."

On page 19, line 16, strike out "act" and insert in lieu thereof "title."

On page 20, line 9, strike out "Sec. 10" and insert in lieu thereof "Sec. 110."

On page 20, line 11, strike out "act" and insert in lieu thereof "title."

On page 20, line 13, strike out "act" and insert in lieu thereof "title."

On page 20, line 20, strike out "act" and insert in lieu thereof "title."

On page 21, line 1, strike out "act" and insert in lieu thereof "title."

On page 21, line 11, strike out "act" and insert in lieu thereof "title."

On page 21, line 14, strike out "Sec. 11" and insert in lieu thereof "Sec. 111."

On page 22, line 12, strike out "Sec. 12" and insert in lieu thereof "Sec. 112."

On page 22, line 15, strike out "act" and insert in lieu thereof "title."

On page 22, line 24, strike out "act" and insert in lieu thereof "title."

On page 23, line 1, strike out "act" and insert in lieu thereof "title."

On page 23, line 11, strike out "act" and insert in lieu thereof "title."

On page 24, line 3, strike out "act" and insert in lieu thereof "title."

On page 24, line 7, strike out "Sec. 13" and insert in lieu thereof "Sec. 113."

On page 24, line 8, strike out "act" and insert in lieu thereof "title."

On page 24, line 15, strike out "act" and insert in lieu thereof "title."

On page 26, line 17, strike out "Sec. 14" and insert in lieu thereof "Sec. 114."

On page 26, line 17, strike out "act" and insert in lieu thereof "title."

On page 26, line 21, strike out "act" and insert in lieu thereof "title."

On page 26, line 24, strike out "act" and insert in lieu thereof "title."

On page 27, line 2, strike out "Sec. 15" and insert in lieu thereof "Sec. 115."

On page 27, line 6, strike out "act" and insert in lieu thereof "title."

On page 27, line 8, strike out "act" and insert in lieu thereof "title."

On page 27, line 14, strike out "act" and insert in lieu thereof "title."

On page 27, line 23, strike out "act" and insert in lieu thereof "title."

On page 28, line 11, strike out "act" and insert in lieu thereof "title."

On page 28, line 14, strike out "Sec. 16" and insert in lieu thereof "Sec. 116."

On page 28, line 22, strike out "act" and insert in lieu thereof "title."

On page 29, line 3, strike out "act" and insert in lieu thereof "title."

On page 29, line 8, strike out "act" and insert in lieu thereof "title."

On page 29, line 18, strike out "act" and insert in lieu thereof "title."

On page 30, line 5, strike out "Sec. 17" and insert in lieu thereof "Sec. 117."

On page 30, line 5, strike out "act" and insert in lieu thereof "title."

On page 30, line 5, strike out "12" and insert in lieu thereof "112."

On page 30, line 6, strike out "16" and insert in lieu thereof "116."

On page 30, line 15, strike out "Sec. 18" and insert in lieu thereof "Sec. 118."

On page 30, line 15, strike out "act" and insert in lieu thereof "title."

On page 30, line 17, strike out "act" and insert in lieu thereof "title."

At the end of the bill add the following new title:

## "TITLE II—DEMOCRATIC CONTROL OF LABOR ORGANIZATIONS BY THE MEMBERS THEREOF"

"Sec. 201. Title IV of the Labor-Management Relations Act, 1947, is amended to read as follows:

## "TITLE IV—REGULATION OF LABOR ORGANIZATIONS FOR PURPOSE OF INSURING DEMOCRATIC CONTROL BY MEMBERSHIP"

## "Definitions"

"Sec. 401. (a) As used in this title—

"(1) The term 'labor organization' means any labor organization which (A) is the representative for or has as one of its purposes or exists for the purpose of representing employees in collective bargaining in any industry affecting commerce or is seeking to become such a representative or (B) has an affiliate or constituent unit in a State other than the State in which it has its principal place of business or in any foreign country.

"(2) The term 'officer' includes a member of any board, council, committee, or other body established by the constitution or charter of a labor organization which is empowered by such constitution or charter to exercise governing or executive functions with respect to such labor organization.

## "ELECTION OF OFFICERS"

"(b) (1) After the expiration of 1 year following the enactment of this section, no person shall be eligible to serve as an officer of a labor organization unless he shall have been elected as such officer by popular vote of the membership at an election held within the preceding 4 years in which all members of such organization shall have been entitled to vote, and at which the votes of the members voting shall have been cast by secret ballot.

"(2) Upon the filing with the National Labor Relations Board (hereinafter referred to as 'the Board') of a petition alleging that an individual is serving as an officer of a labor organization, who is not eligible under paragraph (1) to serve as such officer, the Board shall proceed in accordance with subsection (c) to consider the matter and if it determines such allegation to be true it shall enter an order directing the labor organization to remove such individual from such office.

## "PROCEDURE"

"(c) A petition under subsection (b) (2) may be filed by any member or group of members of a labor organization, or by any individual or organization acting in behalf of such member or members, except that no such petition may be filed by any employer of such employees or by any organization with which any such employer is affiliated. Upon the filing of such a petition, the Board shall conduct an investigation and if it finds evidence to support the allegations in the petition it shall proceed in the same manner as in the case of an unfair labor practice charge and the appropriate provisions of subsections (b) to (1), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding.

## "SANCTIONS AND PENALTIES"

"(d) (1) Whenever the Board shall determine that an individual is serving as an officer of a labor organization who is not eligible under subsection (b) (1) to serve as such officer or who has been convicted of an offense under paragraph (3) of this subsection, during any period for which any such individual continues so to act such labor organization shall not (A) be considered to be the representative of employees for the purposes of the National Labor Relations Act, (B) be exempt from Federal in-



come tax under section 501 (a) of the Internal Revenue Code of 1954, or (C) be considered to be a labor organization for the purposes of sections 6 and 20 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (15 U. S. C. 17; 29 U. S. C. 52) or the act of March 23, 1932 (29 U. S. C. 101 and the following).

"(2) Any individual who knowingly serves as an officer of a labor organization while ineligible to serve as such officer under subsection (b) (1) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding \$1,000 or by imprisonment for not exceeding 1 year, or both.

"(3) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedures set forth in subsection (c) of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed \$10,000 or by imprisonment for not exceeding 5 years, or both.

#### "AMENDMENT TO NATIONAL LABOR RELATIONS ACT

"(e) Section 9 (c) of the National Labor Relations Act, as amended, is amended by inserting before the period at the end of the first sentence of paragraph (3) thereof a comma and the following: "except that an election may be ordered at any time when the Board has determined under title IV of the Labor Management Relations Act that a labor organization which has been the representative of the employees is no longer eligible to represent such employees."

#### EXPLANATION

The legislation now before the Senate, S. 2888, provides for the registration, reporting and disclosure of employee welfare and pension-benefit plans, and the language of the bill sets forth its various provisions in the form of an act of the Congress. In order that the definitions in the present amendment and the subsequent amendments to be considered will not conflict with the definitions and provisions in S. 2888, it is necessary to add a new title to the pending legislation. Accordingly, the amendment I am now proposing, relating to the election of officers, first of all amends S. 2888 to provide a new title II. My amendment, from page 1 through the bottom of page 7, merely makes the necessary technical changes in the pending legislation and makes no change in the substantive material in the committee's bill.

The substantive part of this amendment relates to the subject of election of union officers. As Members of the Senate know, there is no provision in any of the Federal legislation now on the statute books that requires compliance with any democratic process in the election of union officers. Throughout the lengthy hearings of the Senate's Select Committee on Management-Labor Affairs, the evidence of violations of the responsibilities of certain union leaders to their members points up the necessity for the Federal Government to insure the periodic elections of union officials. The amendment I propose provides the following:

1. To be eligible to serve as the officer of a labor organization, that officer must have been elected by popular vote of the union membership at an election held within the preceding 4-year period, and further that the voting at such elections shall be done through the medium of a secret ballot.

2. The National Labor Relations Board will have the authority to receive petitions filed

by any member or groups of members of the labor organization in question, or any nonemployer representative of such union members, alleging violations of the election provision, and the Board upon sufficient supporting evidence shall proceed in the matter as in the case of an unfair labor practice charge.

3. If the Board discovers that under the petition the individual in question is serving illegally as an officer of the labor organization, the union in question, as long as it shall continue to maintain such an illegally elected individual as an officer, will be deprived of the privileges and benefits granted to it under existing law. Specifically, this will result in the loss of its certification under the National Labor Relations Act as the representative of such members, the exemption from Federal income-tax laws under section 501 (a) of the Internal Revenue Code, and the exemption under the antitrust and injunction protections of various Federal statutes. The amendment also provides that the individual who knowingly serves as a union officer while ineligible to serve shall be subject to prosecution and, upon conviction, punishment and a fine, for the commission of a misdemeanor. There is also a provision to protect the right of individual union members to file a petition under this proposed law.

4. The final provision in the pending amendment authorizes that wherever a union is deprived of its representation protections under existing law for being in violation of the election provisions of this amendment, another election for union representation of the employees may be held despite the prohibition in existing law which limits to one the number of such elections that can be conducted during a 12-month period.

At the end of the bill add the following:

#### "PAYMENTS TO LABOR ORGANIZATIONS BY PERSONS ENGAGED BY EMPLOYERS

"Sec. . (a) Subsection (a) of section 302 of the Labor-Management Relations Act, 1947, is amended by inserting after the word 'employer' a comma and the following: 'or any person engaged or retained by such employer as a labor relations expert or consultant or for the purpose of dealing with his employees or their representative,'.

"(b) Subsection (b) of such section is amended by inserting after the words 'employer of such employees' a comma and the following: 'or any person engaged or retained by such employer as a labor relations expert or consultant or for the purpose of dealing with his employees or their representatives,'.

#### EXPLANATION

The National Labor Relations Act of 1947 makes it illegal for employers to pay, or promise to pay, money or something of value to a labor representative who represents his employees. The act also makes it illegal for union representatives to receive or accept any such gifts from the employer of the employees they represent. The efforts to evade this prohibition in existing law have brought about "sweetheart contract" situations, which received considerable publicity during the hearings of the Senate Select Committee on Management-Labor Matters. Certain members of management, with the willing cooperation of the union representatives involved, have engaged in a collusive arrangement whereby a representative of the employer would act as the go-between in transmitting either money or merchandise of value, which would result in working relationships beneficial to the employer and the union officials but detrimental to the members of the union involved.

The present amendment will strengthen the purpose of Congress in originally approving section 302 (A) and section 302 (B)

of the National Labor Relations Act by making it illegal for any representative of the employer to act as such a go-between. I believe there is no objection from either management or labor to filling the existing loophole in the present law, and I hope the Senate will readily voice its approval of this amendment.

At the end of the bill add the following:

#### "RECALL OF OFFICERS

"Sec. . (a) (1) Upon the filing with the Board of a petition therefor signed by at least 15 percent of the members of a labor organization, the Board shall conduct an election at which the members of such labor organization shall be entitled to vote by secret ballot on the question of recalling any elected officer or officers of such labor organization named in such petition. If a majority of the members voting in such election vote to recall any officer named in the petition the Board shall declare the office held by such officer to be vacant. Not more than one election for the recall of the holder of any one office shall be held under this section in any 12-month period.

"(2) Upon the filing with the Board of a petition alleging that an individual who has been recalled under paragraph (1) as an officer of a labor organization is serving as such officer (other than pursuant to a subsequent election to such office), the Board shall proceed in accordance with paragraph (b) (1) to consider the matter and if it determines such allegation to be true it shall enter an order directing the labor organization to remove such individual from such office.

#### "PROCEDURE

"(b) (1) A petition under subsection (a) (2) may be filed by any member or group of members of a labor organization, or by any individual or organization acting in behalf of such member or members, except that no such petition may be filed by any employer of such employees or by any organization with which any such employer is affiliated. Upon the filing of such a petition, the Board shall conduct an investigation and if it finds evidence to support the allegations in the petition it shall proceed in the same manner as in the case of an unfair labor practice charge and the appropriate provisions of subsections (b) to (1), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding.

"(2) Elections provided for in subsection (a) shall be conducted by the Board, except that the Board may delegate, generally or in specific cases, authority to conduct such elections to any public or private agency or organization which, in the opinion of the Board, is qualified to conduct such elections.

#### "PROTECTION OF MEMBERS

"(c) (1) Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization or in any election conducted under this section, the Board shall conduct an investigation, and if it finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge and the provisions of subsections (b) to (1), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If, after hearing, the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations it

shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election or, in the case of an election conducted by the Board under this title, shall set aside such election if the result thereof was unfavorable to the petitioners.

"(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

#### "SANCTIONS AND PENALTIES"

"(d) (1) Whenever the Board shall determine that an individual is serving as an officer of a labor organization who has been recalled from service as such officer under subsection (a), or who has been convicted of an offense under paragraph (3) of this subsection, during any period for which any such individual continues so to act, such labor organization shall not (A) be considered to be the representative of employees for the purposes of the National Labor Relations Act, (B) be exempt from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954, or (C) be considered to be a labor organization for the purposes of sections 6 and 20 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, as amended (15 U. S. C. 17; 29 U. S. C. 52) or the act of March 23, 1932 (29 U. S. C. 101 and the following).

"(2) Any individual who knowingly serves as an officer of a labor organization after having been recalled from service as such officer or member under subsection (a) (other than an individual who subsequent to such recall is duly reelected to the office from which he was recalled) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding \$1,000 or by imprisonment for not exceeding 1 year, or both.

"(3) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member or a labor organization seeking to initiate or participate in the procedure set forth in subsection (b) or subsection (c) of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed \$10,000 or by imprisonment for not to exceed 5 years, or both."

#### EXPLANATION

The pending amendment has as its purpose the establishment of a recall procedure to grant members of labor organizations the ability to remove elected union officials who are found to be wanting in the discharge of their responsibility. Many union constitutions now provide for the removal of officials found untrustworthy, dishonest or derelict in their duties. But even in these unions, the difficulties encountered by members in bringing this question before entire memberships for action are too hazardous to assure success of the procedures. In addition, many union constitutions do not provide any method for the discharge of and removal of such union officers. Since labor unions are organizations formed by the voluntary action of the working men and women of the Nation, and are organizations established for the purpose of being of direct benefit to the members, in my judgment the members are entitled to control the activities of their elected officials and if dissatisfied with their conduct of office, to remove them for just cause. The only method by which this control can be assured to the members of organized labor is through the recall procedure.

The recall procedure provided by this amendment is as follows:

1. Upon a petition filed by 15 percent of the members of the labor organization, the National Labor Relations Board shall conduct an election by secret ballot of the membership of the union on the recall of official or officials named in the petition. The election shall be decided by a majority vote of the membership voting and if the official or officials voted upon are recalled, the Board shall declare such office vacant.

2. Not more than 1 election for the recall of any 1 officeholder can be held during any 12-month period.

3. If a recalled union official continues to hold his office, the Board, on the petition of any union member, shall proceed, after investigation, against the union as in the case of an unfair labor practice.

4. The Board is granted permission to delegate to public or private agencies its authority to conduct recall elections under this amendment.

5. Where a union member is disciplined by his union organization so as to deprive him of his right to vote under the constitution and bylaws of his union or under the recall procedures set forth in this amendment, the Board can proceed on prima facie evidence against the union and if the results of the election were affected by the vote or votes suppressed, it shall set aside such election.

6. Any individual who after being recalled continues to serve as a union officer is subject to prosecution, punishment and fine for the commission of a misdemeanor.

7. Any individual, group or organization who willfully coerces an individual from initiating or participating in the recall procedures established by this amendment is subject to prosecution, punishment, and fine for the commission of a felony.

8. Whenever a union permits a recalled union official, or an official convicted of a felony under No. 7, to continue his office, the union upon determination of that fact by the Board shall be deprived of its protections of representation, income-tax exemption, and antitrust and injunction exemptions under existing laws.

#### "TRUSTEESHIPS OVER LOCAL UNION AFFAIRS"

"SEC. . (a) (1) No national, international, or other labor organization having more than one local or constituent unit shall remove the officers of any local union for the purpose of establishing a trusteeship over such union and administering its affairs, unless—

"(A) such action is authorized by, and is taken in accordance with the provisions of, the constitution, charter, bylaws, or other governing rules and regulations of such labor organization; and

"(B) the funds, assets, resources, and property of the local union (other than amounts normally required to be paid to such labor organization by its local or constituent units in the absence of a trusteeship) are used exclusively in connection with the affairs of the local union and for the benefit thereof, and are not diverted to or utilized for any other purpose during the period of the trusteeship.

"(2) No such trusteeship shall continue after the expiration of 1 year from the date it is established, and no such trusteeship shall be established with respect to any local union until at least 6 months have elapsed following the termination of any preceding trusteeship established with respect to such local union.

"(3) In any case in which the officers of a local union have been removed and such a trusteeship has been established, the trustees are authorized, during the term of the trusteeship, to conduct elections for new local union officers at which all members of such local union shall be entitled to vote.

"(4) Nothing contained in this subsection shall be construed to modify any existing legal rights or remedies with respect to the

funds, assets, property or obligations of the local union upon the dissolution of such local union, or its expulsion or withdrawal from the national, international, or other union with which it was affiliated.

"(5) Any member of a local union over which a trusteeship is established or continued in violation of paragraph (1) or (2) may bring an action in behalf of such local union in any district court of the United States for equitable relief to compel compliance with the provisions of such paragraphs, and for restitution of funds, assets, or property of the local union and for damages to such union. Any amounts awarded in any such proceeding shall be payable to the local union, except that costs, including counsel fees, of such proceeding may be assessed in favor of the person bringing the action.

#### "PENALTIES"

"(b) Any individual who willfully removes or participates in the removal of the officers of any local union for the purpose of establishing a trusteeship over such union otherwise than in accordance with subsection (a) (1), or continues or participates in the continuation of any trusteeship in violation of subsection (a) (2) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding \$1,000 or by imprisonment for not exceeding 1 year, or both."

#### EXPLANATION

This amendment is designed to protect members of local unions and their officers against the establishment by national or international labor organizations of trustees for long periods of time. The Senate Select Committee on Management-Labor Matters has investigated the use of trusteeships or supervisors to control the activities and funds of local unions and has recommended legislation to prevent the existing abuses of this practice.

The present amendment provides the following:

1. No trusteeship can be established unless it is authorized by the constitution, charter or bylaws of the labor organization in question. And further that the funds and assets of the local union must be used exclusively for the benefit of the local union.

2. No trusteeship can continue for a longer period than 1 year from the date of its establishment.

3. Where a trusteeship has been established after officers of a local union have been removed the trustees are authorized to conduct elections for new local union officers.

4. Upon violation of provisions of this amendment members of the local union are authorized to bring court action in the Federal court of the United States for equitable relief to compel compliance and to enforce restitution of the funds and assets of the local union.

5. Where officers of local unions are removed for the purpose of establishing trusteeships in violation of these provisions or where a trusteeship continues in violation of these provisions the individual who willfully participates in such action is subject to prosecution, punishment, and fine for the commission of a misdemeanor.

"SEC. . Subsection (a) of section 9 of the National Labor Relations Act, as amended, is amended by adding the following new sentences at the end thereof: 'No labor organization which does not admit to membership all of the employees it seeks to represent in a unit appropriate for that purpose, on the same terms and conditions generally and uniformly applicable to and with the same rights and privileges generally and uniformly accorded to all the members thereof, shall be a representative of any employees in such unit for the purpose of collective bargaining within the meaning of this section. Nothing



in the foregoing sentence shall be construed to prevent a labor organization from denying membership to any person on the ground that such person is a member of the Communist Party or that he believes in, or is a member of an organization that believes in or teaches, the overthrow of the United States Government by force or by any illegal or unconstitutional methods."

#### EXPLANATION

Under section 9 (a) of the Labor-Management Relations Act of 1947, the labor representative selected by the majority of the employees for the purposes of collective bargaining, is designated as the exclusive bargaining representative of all the employees in the bargaining unit. The present amendment provides that where a union organization is selected to be the exclusive bargaining representative in the plant or firm involved, this privilege will be conditioned on the union's opening up its membership to all of the employees in the bargaining unit if they should choose to join, and on the same terms and conditions which apply to the present members of the labor organization. This amendment is designed to eliminate an existing situation in certain unions where either employees are barred from taking membership in the union representing them, or where the union has in effect set up a class system of membership under which only a certain class of union members are permitted to vote and participate in its activities, but all of its members must pay the initiation fees and dues.

In order that this amendment might not be used by subversive elements, a provision is included that nothing in the pending amendment shall be construed to prevent any labor organization from denying membership to members of the Communist Party or members of organizations who advocate the overthrow of the United States Government by unconstitutional methods.

This amendment would prohibit any existing discrimination against employees on the grounds of age, sex, religion, nationality, or race. If unions are as interested in eliminating discrimination practices in the United States, they should be favorably disposed to the pending amendment.

At the end of the bill add the following:

#### "COLLECTIVE BARGAINING AGREEMENTS FOR EXCESSIVE TERM OR PROVISIONS WAIVING RIGHT TO STRIKE"

"SEC. . (a) No collective bargaining agreement entered into by any labor organization shall be effective or binding upon the parties thereto for a period in excess of 2 years unless such contract shall have been approved by a majority of the members of the labor organization in the unit covered by the contract voting by secret ballot in a referendum held for such purpose by the labor organization.

"(b) No provision or provisions in a collective bargaining agreement waiving or canceling the union members' right to strike shall be legal or effective unless such provision or provisions shall have been approved by a majority of the members of the labor organization in the unit covered by the contract, voting by secret ballot in a referendum held for such purpose by the labor organization."

#### EXPLANATION

This amendment has as its purpose increasing the control of union members on questions of long-term bargaining agreements and collective bargaining agreements which waive or cancel the members' right to strike.

Mr. President, two of the important conditions in employee relations that have the most influence on the working men and women of the country are (1) the conditions and terms of employment, and (2) the legally recognized right to strike or refrain

from employment if the terms of employment are not satisfactory to the worker. In order to assure a democratic measure of union member control over these conditions, the present amendment provides that no collective bargaining agreement for a period in excess of 2 years shall be effective beyond that period unless it has been approved by a majority of the members of the labor organization involved voting by secret ballot and, further, that no provision of a collective bargaining agreement which waives the members' right to strike shall be legal unless it also shall have been approved by a majority of the membership in a secret ballot election.

This amendment is necessary to protect the interest of the employees from unscrupulous representatives of management or labor or both, who engage in a collusive agreement to sacrifice the workingman's labor for their own purposes.

At the end of the bill add the following:

#### "PROTECTION OF UNION MEMBERS"

"SEC. . (a) (1) Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization, the Board shall conduct an investigation and if it finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge and the provisions of subsections (b) to (1), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If after hearing the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations it shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election.

"(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

#### "PENALTIES"

"(b) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedure set forth in the provisions of subsection (a) shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed \$10,000 or by imprisonment for not to exceed 5 years, or both."

#### EXPLANATION

This amendment is designed to protect union members of their right to vote as authorized by their union's constitution in elections conducted by a labor organization. Many of the members of organized labor have been subject to coercive pressure on the part of union officials so as to deprive him of his union constitutional rights to participate in election proceedings of his union. The present amendment provides the following:

1. Any member of a labor organization may file a petition with the Labor-Management Relations Board that he has been deprived, through actions of his labor organization, of his right to vote.

2. The Board, upon the finding of prima facie evidence of the truth of such allegations shall proceed against the union as in the case of an unfair labor practice.

3. Upon a finding by the Board that the voting rights of such members have been denied in violation of the constitutional bylaws of the union it shall issue a cease-and-desist order against such action and shall invalidate the election if the results thereof could have been affected by the labor union's wrongful action.

4. Any individual or group who willfully interferes with the right of a union member to petition the National Labor Relations Board under these provisions is subject to prosecution, punishment, and fine for the commission of a felony.

#### "STRIKE BALLOTS"

"SEC. . (a) (1) No strike shall be called or sanctioned by a labor organization unless at least 30 days prior to the commencement of such strike such labor organization shall have given notice thereof in writing to the Board and the employer, and either individually in writing, or by announcement at a meeting of the membership of the organization, to the members of such organization in the unit or units involved in the strike.

"(2) Upon the filing with the Board, upon or at any time after receipt by the Board of a notice given under paragraph (1), of a petition therefor signed by at least 15 percent of the employees in the unit or units involved in the strike, the Board shall conduct a referendum on the question whether such strike should be called or continued. If a majority of those voting in the referendum vote against the strike, no strike shall be called or sanctioned by the labor organization until at least 90 days have elapsed following the referendum and notice has been given in accordance with paragraph (1). If a majority of those voting in the referendum vote in favor of the strike, no subsequent petition may be filed under this paragraph until at least 90 days have elapsed following such referendum, and unless such subsequent petition has been signed by at least 30 percent of the employees in the unit or units involved in the strike.

"(3) Any individual who participates in a strike which has been called without notice as required by paragraph (1), or which has been called or continued after a majority of the employees in the unit or units involved in the strike voting in the most recent referendum conducted with respect to such strike under this subsection shall have voted against such strike, shall not during the existence of the strike or thereafter, unless re-employed or reinstated by the employer, be considered to be an employee of such employer for the purposes of the National Labor Relations Act.

"(4) Nothing contained in this subsection shall be construed to supersede or modify in any way the requirements of section 8 (d) of the National Labor Relations Act.

#### "PROCEDURE"

"(b) Referendums provided for in subsection (a) shall be conducted by the Board, except that the Board may delegate, generally or in specific cases, authority to conduct such referendums to any public or private agency or organization which, in the opinion of the Board, is qualified to conduct such referendums.

#### "PROTECTION OF MEMBERS"

"(c) (1) Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization or in any referendum conducted under this section, the Board shall conduct an investigation and if it finds prima facie evidence of the truth of such allegations, it shall proceed in the same manner as in the

case of an unfair labor practice charge and the provisions of subsections (b) to (i), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If after hearing the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations, it shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election or, in the case of a referendum conducted by the Board under this section, shall set aside such referendum if the result thereof was unfavorable to the petitioners.

"(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

#### "SANCTIONS AND PENALTIES

"(d) (1) Whenever the Board shall determine that a labor organization has called, sanctioned, or is participating in a strike which has been called without notice as required by subsection (a) (1) or within 90 days after it has been disapproved by a majority of those voting in a referendum conducted under subsection (a) (2), during any period for which any such activity so determined by the Board continues to exist such labor organization shall not (A) be considered to be the representative of employees for the purposes of the National Labor Relations Act, (B) be exempt from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954, or (C) be considered to be a labor organization for the purposes of sections 6 and 20 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (15 U. S. C. 17; 29 U. S. C. 52) or the act of March 23, 1932 (29 U. S. C. 101 and the following).

"(2) Any individual who, being an officer of a labor organization, willfully calls or sanctions, or orders, requests, or encourages any members of the labor organization to participate in a strike which has been called without notice as required by subsection (a) (1) or within 90 days after it has been disapproved by a majority of those voting in a referendum conducted under subsection (a) (2) shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding \$1,000 or by imprisonment for not exceeding 1 year, or both.

"(3) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedure set forth in subsection (c) of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed \$10,000 or by imprisonment for not to exceed 5 years, or both."

#### EXPLANATION

This amendment would require the notification, by specified means, of the membership, the employer and the Board, of a labor organization's intention to strike at least 30 days prior to the commencement of such strike.

Protection against strikes not approved of by the membership is also provided for in this amendment. Upon the submission to the Board of a petition, signed by 15 percent of the membership of the union in opposition to the strike, a referendum would be held. A majority of the membership voting against the strike in such referendum

would require its postponement for at least 90 days.

A vote in support of the strike would, on the other hand, prevent the filing of a new petition for a second referendum for an additional 90 days, any such subsequent petition would also require the endorsement of at least 30 percent of the striking employees.

Participation by any individual in an illegally called strike under this amendment would result in the loss by that individual of his employee status under the National Labor Relations Act.

Violation by a union of an employee's right to vote in any duly called election or referendum under this section would, on a petition to the Board, be investigated and, if a determination was made that such rights had been violated, the provisions of section 10 of the National Labor Relations Act would apply as in the case of an unfair labor practice charge. If the findings of the Board supported the allegations of the member that his voting rights had been denied, the union would be ordered to desist from its action and, where the deprivation of the voting right had affected the results of an election, that election would be set aside.

Any violations by a labor organization of the provisions of the amendment would result in the union's loss of its existing privileges as the representative of its membership under the National Labor Relations Act, its special position under the antitrust and injunction laws, and its income tax exemption.

Further, special criminal penalties are provided against individual labor union officials who violate the provisions of this amendment.

At the end of the bill add the following:  
"INITIATIVE AND REFERENDUM ON INTERNAL AFFAIRS

"SEC. . (a) (1) Upon the filing with the Board of a petition therefor signed by at least 15 percent of the members of a labor organization, the Board shall conduct a referendum at which the members of such labor organization shall be entitled to vote on the question whether they favor any proposal specified in such petition—

"(A) to amend, modify, revise, or repeal any provision of the constitution, bylaws, or other governing rules or regulations of the labor organization;

"(B) to amend, modify, revise, or veto any decision of the officers or governing body of the labor organization with respect to—

"(i) dues, initiation fees, assessments, salaries of officers and employees of the labor organization, gifts, grants, loans, donations, or investments made by the labor organization, expenditure of funds of the labor organization or projects involving the use of such funds or the resources or assets of the labor organization or involving the use of paid manpower, or other matters relating to the financial affairs of the labor organization;

"(ii) attendance at union meetings, picket line duty, performance of services on behalf of the labor organization, contributions, welfare activities, distribution of literature, support of political or ideological causes, issues, parties, platforms, or candidates, lobbying or legislative activities, or other matters relating to the conduct or activities of members of the labor organization; or

"(iii) fines, suspensions, expulsions, loss of status or union benefits, or other matters relating to the disciplining of members.

"(2) Upon the filing with the Board of a petition alleging that a labor organization or its officers have failed to carry out any proposal favored by a majority of the members voting in a referendum conducted under this section, or are carrying out any proposal disapproved by a majority of the members voting in such referendum, or are otherwise disregarding, or failing to comply with or give effect to, the wishes of such

majority as disclosed by the results of the vote in such referendum, the Board shall proceed in accordance with subsection (b) to consider the matter and if it determines such allegations to be true it shall enter an appropriate order directing the labor organization and its officers to carry out any proposal favored by such majority, to refrain from carrying out any proposal disapproved by such majority, or otherwise to comply with or give effect to the wishes of such majority as disclosed by the results of the vote. The order of the Board may include provisions directing the labor organization or its officers to make such restitution of rights or property as may be necessary to effectuate the objectives of any proposal favored by such majority.

"(3) (A) No referendum shall be conducted under paragraph (1) to amend, modify, revise, or veto—

"(i) any decision made by any officer or representative of a labor organization in the course of collective bargaining negotiations with respect to wages, rates of pay, hours of work, or any other terms or conditions of employment which directly affect or involve the duration of the work period or a concrete, material benefit or loss to the employees which is measurable in terms of money; or

"(ii) any decision the precise content of which is specifically required by the constitution, bylaws, or other governing rules or regulations of the labor organization; or

"(iii) any decision with respect to any matter which is specifically required or prohibited by law.

"(B) No referendum shall be conducted under paragraph (1) among the membership of a local union alone in connection with any matter which is governed by the constitution, charter, bylaws, or other governing rules or regulations of the national, international, or other multilocal labor organization of which such labor organization is a constituent unit or with which it is affiliated.

"(C) Not more than one referendum shall be conducted under paragraph (1) (A) during any 18-month period. Not more than one referendum shall be conducted under paragraph (1) (B) with respect to any particular decision.

#### "PROCEDURE

"(b) (1) A petition under subsection (a) (1) may be filed by any member or group of members of a labor organization, or by any individual or organization acting in behalf of such member or members, except that no such petition may be filed by any employer of such employees or by any organization with which any such employer is affiliated. Upon the filing of such a petition, the Board shall conduct an investigation and if it finds evidence to support the allegations in the petition it shall proceed in the same manner as in the case of an unfair labor practice charge and the appropriate provisions of subsections (b) to (i), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding.

"(2) Referendums provided for in subsection (a) shall be conducted by the Board, except that the Board may delegate, generally or in specific cases, authority to conduct such referendums to any public or private agency or organization which, in the opinion of the Board, is qualified to conduct such referendums.

#### "PROTECTION OF MEMBERS

"(c) (1) Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization or in any referendum conducted under this section the Board shall conduct an in-



vestigation and if it finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge and the provisions of subsections (b) to (i), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If after hearing the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations it shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election or, in the case of a referendum conducted by the Board under this section, shall set aside such referendum if the result thereof was unfavorable to the petitioners.

"(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

#### "SANCTIONS AND PENALTIES"

"(d) (1) Whenever the Board shall determine that a labor organization or its officers are failing to carry out a proposal favored by a majority of those voting in a referendum conducted under subsection (a), are carrying out a proposal disapproved by a majority of those voting in such a referendum, or are otherwise disregarding or failing to comply with or give effect to the wishes of such majority as disclosed by the vote in such referendum, during any period for which any such activity or failure to act so determined by the Board continues to exist such labor organization shall not (A) be considered to be the representative of employees for the purposes of the National Labor Relations Act, (B) be exempt from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954, or (C) be considered to be a labor organization for the purposes of sections 6 and 20 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" approved October 15, 1914, as amended (15 U. S. C. 17; 29 U. S. C. 52) or the act of March 23, 1932 (29 U. S. C. 101 and the following).

"(2) Any individual who, being an officer of a labor organization and having responsibility with respect to any proposal voted on at a referendum conducted under subsection (a), willfully fails to carry out or to participate in carrying out a proposal favored by a majority of those voting in such referendum, willfully carries out or participates in carrying out a proposal disapproved by a majority of those voting in such referendum, or otherwise willfully disregards or fails to comply with or give effect to the wishes of such majority as disclosed by the vote in such referendum shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding \$1,000 or by imprisonment for not exceeding 1 year, or both.

"(3) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedure set forth in subsection (b) or subsection (c) of this section shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed \$10,000 or by imprisonment for not to exceed 5 years, or both."

#### EXPLANATION

The purpose of this amendment is to provide a method whereby 15 percent of the membership of a union may initiate a referendum at which they may democratically vote to determine the will of the entire membership on questions of major importance to the union. Matters on which such a refer-

endum may be held involve changes in the governing rules of the union as well as decisions of the officers of the union which affect the financial affairs of the organization, certain activities of the union, and matters relating to the disciplining of the membership.

A referendum would not be authorized, however, to change or modify decisions made by a union representative during collective-bargaining negotiations, or those which are authorized by the governing rules of the organization or by law. Additionally, no referendum would be allowed among the membership of a local union on any matter governed by the constitution, rules, or regulations of a national or international union to which it is affiliated.

This amendment further provides, in section (b) (1), a mechanism to insure the enforcement of the will of the union as expressed in such referendum, whereby any violation of the referendum would be investigated as an unfair-labor charge as defined in section 10 of the National Labor Relations Act. Any member of the union or his representative may file a petition with the board alleging noncompliance.

Protection against the deprivation of any member of the union of his right to vote in violation of the governing rules or regulations of the labor organization is also provided for in section (c) (1) of the amendment. The board would again proceed, as in the case of an unfair-labor-practice charge, to remedy the wrong to the employee and any results which may have flowed therefrom.

Failure of a labor organization to comply with the results of a referendum would, under the amendment, result in the union's loss of existing privileges as the representative of its membership under the National Labor Relations Act, its special position under the antitrust and injunction laws, and its income-tax exemption.

Further, special criminal penalties are provided against individual officers of the union who fail to follow the results of a referendum or who coerce union members seeking to initiate board action against such conduct.

This amendment in no way affects the laws of any State.

Mr. KENNEDY. Mr. President, it has only been in the past 10 or 15 years that employee welfare and pension plans have grown from relatively small significance into a private social security system upon which scores of millions rely for future economic security in their old age or in the event of misfortune. Tens of billions of dollars are being spent or set aside to provide such benefits. As has been said, these plans grew up like Topsy. Under the prevailing conditions of an unprecedented period of prosperity, high taxes, a scarce labor market, favorable tax treatment, and collective bargaining, these plans took such forms as best suited their particular circumstances without uniform standards or rules governing their operations. It is not at all surprising that the sensational growth of this complex free enterprise private social security system should not only bring about great good but should create new problems, outdistance existing laws, provide great opportunities for abuse, and leave hosts of employees without adequate safeguards to protect their equities. It is for this reason that S. 2888, a bill to require the registration, reporting, and disclosure of employee welfare and pension plans, has been drafted and is proposed for legislation.

The bill which is before us is the product of a great deal of work done over a period of years. My distinguished friends, the Senator from Illinois, [Mr.

DOUGLAS] and the Senator from New York, [Mr. IVES], both headed predecessor subcommittees in the 84th and 83d Congresses, respectively. In 1954, as a result of unfavorable publicity about the maladministration of employee benefit plans, and a special Presidential message suggesting a Congressional inquiry into this field, the Senator from New York began an intensive investigation of welfare and benefit plan administration. That subcommittee made studies of the overall characteristics and problems of private employee benefit plans, initiated a survey of insurance company practices, and made extensive field investigations of collectively bargained and jointly administered welfare plans. As a result of its investigations, the committee found that there was a need for corrective legislation to insure more adequate protection of employee beneficiary rights and interests and recommended that consideration be given to a Federal disclosure act embracing all types of plans.

In the 84th Congress, the activity of the subcommittee was continued under the direction of the Senator from Illinois [Mr. DOUGLAS]. Extensive hearings were held in the spring of 1955 during which the studies made to date were closely examined and a plan for continuing investigation was laid out. Further, a number of specific plans were publicly reviewed that revealed flagrant abuses, including embezzlement, outlandish and improper insurance commissions and service fees, and collusion between management, union and insurance representatives. Subsequently, the scope of the inquiry was broadened to cover pension plans, unilaterally administered welfare plans, industrywide plans, insurance company practices, and so forth. Testimony was received from the Federal agencies as to the extent of their interest in programs of this type under existing laws, surveys were made of State laws in the area, and extensive testimony was taken from private persons knowledgeable and interested in the field of pension and welfare plans.

It should be emphasized that the investigations and hearings conducted by the subcommittee on pension and welfare plans during the 83d and 84th Congresses disclosed serious abuses and weaknesses in many employee benefit plans, and clearly demonstrated the need for comprehensive disclosure legislation which would permit employee beneficiaries to examine the financial management of the plans on which they depended for a substantial portion of the benefits upon which they would have to rely if misfortune or illness overtook them.

During the 85th Congress, a legislative subcommittee on pension and welfare plans was established, and I had the privilege of chairing that subcommittee. We heard testimony from a wide variety of witnesses, including representatives of the executive branch, who fully supported a disclosure bill encompassing all types of pension and welfare plans. In addition, many private persons not connected with either labor or management but fully conversant with the intricate problems in this specialized field

also supported a comprehensive disclosure bill.

There are certain basic characteristics of employee benefit plans, regardless of the form they take, which should be borne in mind in considering legislation:

First. Employers' costs of such plans or the benefits which employers provide are a form of compensation.

Second. These plans are commonly used by employers as a competitive inducement to attract and retain good employees.

Third. The plans involve the control and management of enormous sums of money by a comparatively few for the future benefit and economic security of millions.

Fourth. Billions of dollars of employees' direct contribution go into these plans each year.

Fifth. It is the exception rather than the rule that any accounting of the financial operations or the reserves in such plans is given to the employees for whom the plans are operated.

Sixth. The employees covered by these group plans have no specific rights until they meet the conditions of the particular plans. For example, in the case of a pension plan this might involve 30 years' service and the attainment of age 65; in a welfare plan the employee's right could mature in the event of accident, sickness, death, and so forth. So unless the employee is given information as to the operation and status of his plan he has no means of knowing whether the benefits he is relying on will be forthcoming.

Seventh. Although these plans envisaged a continuing operation to provide benefits for all employees covered—in plans which are not collectively bargained, which constitute the majority of all plans and which are predominantly administered by employers, there is actually no assurance that the benefits will be forthcoming in view of a universally employed clause in such plans to the effect that the employer can terminate the plan at his discretion. Even in collectively bargained plans the employer's agreement to provide for part or all the costs of the benefits is a short-term contract of 1 to 5 years. Accordingly, the best gage as to the continued operation and stability of a plan is the manner in which it is being managed and the collateral which is back of the promises it holds out.

Eighth. Only six States have passed specific laws providing for disclosure or regulation of employee-benefit plans, and these are all substantially different as to scope or in their detailed requirements.

The inadequacy of standards and safeguards to protect the diffused interests and equities of some 80 million employee-beneficiaries of these plans logically calls for legislation which will bring the facts with respect to their financing and reserves out in the open and that will permit self-policing and self-appraisal of these plans by the participants and give them a central point to report abuses and violations.

The objective of the bill is to provide more adequate protection for the employee-beneficiaries of these plans

through a uniform Federal disclosure act which will, in one operation make the facts available not only to the participants and the Federal Government but to the States, in order that any desired State regulation can be more effectively accomplished. It will permit self-policing and self-appraisal of these plans by the participants and give them a central point in Washington to report abuses and violations. The enforcement provision and penalties provided by the bill should act as a strong deterrent of abuses. The uniform reporting requirements should immeasurably improve the management of the plans.

The bill would be administered by the Secretary of Labor. It covers all types of private employee welfare and pension plans, however sponsored, financed, underwritten, or administered, that provide one or more of the following benefits for employees or their dependents: medical, surgical, or hospital care, or benefits in the event of sickness, disability, death, unemployment, or retirement. Coverage is based upon the power to regulate commerce and the taxing authority. It would exclude plans administered by the Federal or State Governments or the political subdivisions thereof, plans established in compliance with State workmen's compensation laws, plans of eleemosynary institutions and those administered as a corollary to the membership in fraternal benefit organizations.

During the first 2 years of operation, the bill would exempt plans covering fewer than 100 employees from its reporting requirements. Further, the Secretary might exempt all, or categories, of these small plans from the bill's registration and reporting requirements for such periods as he deems desirable if he finds compliance would be burdensome to the plans or to the Government. During such period, the exempted plans would not be required to comply with reporting requirements, although they would be required to make information specified in the bill available for inspection by employees, beneficiaries, or other interested parties. However, the plans exempted from registration and reporting would be subject to the other provisions of the bill.

The plans are required to give specified and identifying data with respect to size, type, management, source of financing, and so forth, in the registration statement; and a detailed accounting of income and expenditures, based upon an independent audit in the annual report. Only a summary by class of securities of holdings in reserves or investment portfolio are required unless the plan holds securities or property of the sponsor, or some other party in interest, or in the case where more than 5 percent of the funds is invested in any 1 property, or 10 percent of any 1 issuer is held, in which situations detailed disclosure of such investments is required.

The detailed reports of the plans may be examined in the public documents room of the administering agency, or by a participant or beneficiary at the headquarters office of the plan, and a summary of the annual report as prescribed

by the agency, will be supplied any participant or beneficiary, upon request. The reports and other documents are also available to State agencies, upon request.

In addition to the necessary authority granted the administering agency to enforce the administration of the legislation, severe criminal sanctions are provided for willful false statements, embezzlement, the destruction of records, kickbacks, and other self-dealing. A 13-man Advisory Council, consisting of representatives of management, labor, and other interested parties and the public, is provided to assist the Administrator in the administration of the act.

The bill provides that there be cooperation between Federal agencies in the supplying of information necessary to the effective and economic administration of this and other acts—particularly in the area of avoiding multiplicity of forms. It also provides for close cooperation with the States and the furnishing to State agencies of copies of annual reports and other pertinent documents; however, with respect to multi-State plans, the bill preempts States other than the State of the home office of the plan from imposing different reporting requirements, in order to prevent multiple disclosure requirements.

The bill has a 4-year terminal date to encourage reappraisal of the legislation and to consider the advisability of curtailing or expanding its provisions.

As has been indicated, there are numerous different types of employee benefit plans. There are welfare plans which provide death benefits, disability benefits, hospital, surgical and other medical benefits, unemployment benefits, and so forth. There are retirement plans which include pension plans and profit-sharing plans providing retirement benefits. These plans may be financed by employees, by employers and employers jointly, or by employers alone.

These plans may be administered either by employers, by employers and unions jointly, by unions alone, or by members of employee benefit associations. They are underwritten through insurance, by creating a trust fund from which the benefits will be paid, or on a pay-as-you-go basis. The plans may be collectively bargained or they may not be. Last estimates indicated that a slight majority of all employees covered by such plans were in plans which were not collectively bargained.

Approximately 90 percent of all plans are administered by employers. The other 10 percent are jointly administered by the employers and unions, by employee benefit associations, and by unions. Generally speaking, about one-third of the cost of the plans are borne by direct contributions from employees and two-thirds of the cost by employers. As the employers' costs of such plans are deductible from gross income for tax purposes, the tax policy encouraged the formation of these plans.

However, regardless of the type of plan or how it is administered or financed, all employee benefit plans—whether welfare plans or pension plans, whether short term or long term, whether



large or small—have the same general objective; namely, to provide for the future economic security of employees and their dependents or beneficiaries. And it also follows that it is the millions of employees and their beneficiaries who have the real stake in these plans, regardless of who administers them or how they are financed.

Much has been made of a distinction between employer administered so-called level-of-benefit plans and fixed cost plans. These terms actually came into use during the consideration of this legislation and—to go a step further—could have been created as a device to confuse the issues and exclude the great bulk of employer-administered plans from the provisions of the bill. The facts do not support the distinction which has been drawn between level-of-benefit plans and fixed cost plans.

Generally, the form which a plan takes depends upon the circumstances under which it is established. Plans financed by employees alone or multiemployer plans, of necessity, must be financed by fixed contributions, in that a number of different individuals are contributing to the financing. In a single-employer plan, where the employer administers it, it is possible for the employer to undertake to provide specific benefits or agree for the period of a collective-bargaining agreement to provide such benefits without relation to the cost thereof. In many plans the employees make proportionate direct contributions and the employer undertakes to pay the balance. Perhaps for the lack of a better term where an employer undertakes to provide the benefits or the cost of the benefits over and above employee contributions, it is referred to as a fixed benefit plan. In actual practice, however, a specific set of benefits is not predetermined regardless of the cost no matter who bears those costs. In a typical welfare plan, or even a pension plan, an insurance company will quote the premium costs to provide alternative sets of benefits. In a funded pension plan, an actuary will supply the computations as to current costs and past service liabilities for a particular group in order to fund the plan for a specified retirement benefit. It is only after a determination of the costs of the plan and the money available that the specific benefits can be prescribed. In the case of an employer assuming part or all of the costs, this determination, of necessity, only is made after recognition that whatever money the employer may contribute to the program is limited to money that he might otherwise spend for wages or other employee benefits.

Fixed contribution plans and fixed benefit plans are little more than loose terms of reference, as any plan the descriptive literature of which may describe the benefits it provides in specific terms could be called a fixed benefit plan regardless of whether it had been established on the basis of fixed contributions by employees, by employees and employer, or whether the employer had paid the full cost, and regardless of how the plan was administered.

The term "level of benefit," as applied to types of plans is probably more in-

appropriate than fixed benefits, because the term "level of benefit" is sometimes interpreted to mean that the employer guarantees the benefits and this is not so with respect to plans which are not collectively bargained, and only true in a limited way of collectively bargained plans. As indicated, in plans which are not collectively bargained, while the employer may undertake to supply benefits over and above employee contributions, he may terminate the plan at will. In collectively bargained plans, at best he contracts to provide the benefits or a share of the costs of these benefits for a relatively short contract period.

The test is whether employer fixed benefit or so-called level-of-benefit plans provide any greater assurances than do fixed contribution plans that the benefits will be paid to the employee beneficiaries. The answer, for all practical purposes, is that they do not.

In employer-administered fixed benefit or so-called level-of-benefit plans that are not collectively bargained, and the majority of all plans are in this category, the employers can terminate the arrangement at will, so there is certainly no assurance that the benefits specified and anticipated will be paid. A clause permitting termination at the discretion of the employer is uniformly used in such plans and numerous examples can be cited. Accordingly, the only assurance the employees have that the specific benefits of these plans will be forthcoming is the good intentions or moral obligation of the employer.

In collectively bargained plans, whether fixed contribution or level-of-benefit, there is a contract on the one hand to provide fixed contributions for a particular period and, on the other hand, specific benefits or the premiums or other costs of providing such benefits for such a period. However, regardless of the type of the plan, the contracts are for a very limited time—usually 1 to 5 years—and only tie the parties down for this period, although the plans themselves, whether fixed contribution or fixed benefit, contemplate a continuing or long-range arrangement. So even in collectively bargained plans the assurance that an employee will obtain these benefits which the plan holds out is limited to whether or not he becomes eligible for benefits during the particular period of the short-term contract. He has no real assurances beyond that. As a practical matter, as the fixed contribution plans are geared to provide the benefits which must be paid during that period, there is substantially as great a likelihood of his receiving benefits, if he becomes eligible during the period, under a fixed contribution plan as there is under a fixed benefit plan.

By contracting to provide for specific benefits for the collective bargaining period, the employer may be able to save money if the plan costs a little less than anticipated during the contract period, or it could happen that he would have to pay a little more if the experience was not so good. However, there would be but relatively small variations in the costs over such a short period, which on the average would more than balance out. It can hardly be said then that

this is such a distinction as would warrant exemption of fixed benefit plans from the provisions of the bill and the inclusion of fixed contribution plans.

Furthermore, to restrict the provisions of a disclosure law to fixed contribution plans is not only to leave 90 percent of the covered employees without the benefit of the protection of such an act, but to place a discriminatory burden on a minor segment of the plans merely because they must translate the cost of the plan into fixed contributions due to their physical makeup; for example, in multiple-employer plans, area plans, plans financed solely by employees, that is the only way the plan can be financed.

The point is made that the great incidence of abuse has been disclosed in fixed contribution plans. Yet incidents have come to our attention in employer administered fixed benefit or so-called level-of-benefit plans where first, the employer collected several hundred thousand dollars in employee direct contributions over and above the cost of the plan for a particular period—Meany testimony, hearing record, page 195; second, the employer failed to forward both the employees' direct contributions and his own agreed balance of the costs of welfare and pension plans to the insurance company, with the result that the policies lapsed and numerous welfare-plan claims and pensions were unpaid—Reid Glass Co., Inc., pages 195 and 196; and, third, the officials of a company had their pension plans qualified by Internal Revenue as a package yet placed all the good investments in the executives' plan and left the employees' plan practically bare—*H. S. D. Co. v. Kavanaugh (Internal Revenue Collector)* (in 88 Fed. Supp., pp. 64 and 191 Fed. 2d, p. 831).

There are other examples to which I know the Senator from Illinois will refer in his speech.

We have also had testimony from certain insurance companies that group policyholders are not treated alike, and we know that, as there are practical limitations on what can be spent on these plans, if there are unduly high insurance company commissions, fees, or retentions, the employee beneficiaries will be adversely affected regardless of whether the plans are fixed contribution or fixed benefit in form.

One of the major objectives of the proposed legislation is to deter abuses. We hope to deter any unscrupulous union officials from dominating and mismanaging plans which involve numerous employer contributors with limited authority. However, with all the limitations of liability contained in so-called level-of-benefit plans, we cannot ignore this major portion of all plans where the employer has the complete authority over the finances and destiny of the employees' future economic security. Even the purchaser of a few shares of stock is entitled to a report of the company's operations. The employee beneficiaries of these plans certainly have far more at stake than the ordinary stockholder. Why should not the employees have an accounting of the financial operations of these plans upon which they rely, into



which they may be making direct contributions, and which have been held out to them as a part of the compensation of their employment? According to current Internal Revenue Service statistics, retirement plans are being terminated every day or so because of financial difficulties. We know that even in plans which are qualified by the Internal Revenue Service there is nothing to prevent the employer from appointing himself or a friend as trustee of a pension plan fund; he can invest in his own property and securities. The only penalties or prohibited transactions relate to the subject of tax exemption or deduction. Can it seriously be contended that the managers of such plans should not be required to give an accounting of their stewardship to the employee beneficiaries?

A high incidence of serious abuse may not have occurred in these so-called level-of-benefit plans during the prosperous cycle we have been going through, but can it be said that if a recession sets in, with the strains and temptations hard times may bring, that this will continue to be the case? Should we take action now or wait until something serious happens—when it may be too late?

It may be only natural that banks which act as corporate trustees, insurance companies, and certain employers, presently handling the vast sums of money which these plans involve, object to a Federal disclosure law, particularly as they may feel that they are doing their particular job conscientiously and effectively. They have a vested position, and it may be logical that they should oppose any impingement on the latitude of operation which they presently enjoy in the management of these plans and funds. Such a viewpoint, however, would not necessarily represent the interests of the employee beneficiaries of these plans.

The inadequacy of standards and safeguards to protect the diffused interests and equities of some 80 million employee beneficiaries of these plans logically calls for legislation that will bring the facts with respect to their financing and reserves out in the open. A one-operation, self-policing Federal disclosure, coordinated with the States' interests, as proposed by S. 2888, would appear to be the simplest and most economical method of accomplishing this. To do less could be to encourage an economic Frankenstein.

I shall not attempt to rebut on any point-by-point basis the supplemental views which were filed by the Senator from Colorado [Mr. ALLOTT], who has given devoted service to the committee.

I believe it will be sufficient to deal with the five points appearing at the beginning of his views which really summarize the text of the statement.

It is stated that the bill, in its present form, is unsatisfactory because (a) it is contrary to the weight of the evidence presented:

It is difficult to understand this statement for, first, the evidence is uncontroverted that in excess of 85 million employees and beneficiaries rely on these private employee pension plans; that the overwhelming majority of these em-

ployees are given no accounting of the management or status of these plans on which they rely for economic security in the event of sickness, accident, and the contingencies of old age. This, in spite of the fact that they contribute billions of dollars directly to financing these plans and the balance, which is contributed by employers, is solely on their behalf, as part of their compensation, and theoretically might otherwise be paid them in the form of take-home pay; second, there is no contradiction to the evidence that these plans have mushroomed to a tremendous size without any adequate controls or standards of management; that the plans which are not collectively bargained can be abandoned at will; and that the funds which have been set aside for the exclusive use of the employees can be diverted to other objectives without any Federal penalties except tax penalties which would work to the hardship of the employee beneficiaries; and, third, there is no question that the States are doing only a piecemeal, inadequate job. Only six States have passed laws relating to welfare and pension plans. Only one State, Massachusetts, covers all types of plans. Two States, New York and Washington, which have laws of limited scope, but which have the longest experience in the field, have now recommended that their laws be extended to all types of plans. There are only a few States which have legislative sessions this year.

(b) The argument is made that the all-inclusive provisions of S. 2888 would make it difficult for the administering agency to detect the evils which disclosure is intended to reveal.

This statement appears to reflect a basic misconception of the objectives of S. 2888. No administering agency could attempt to X-ray reports on the plans which would be filed with it and thereby detect mismanagement or abuses in the operation of the plans. The bill is designed to give disclosure of the operations to the employees and other participants of such plans, so that if anything is wrong they can report it to the administering agency which would then look into it. The Federal agency will need a compact enforcement and investigation unit, not a vast bureaucracy. According to best estimates, there are between forty and fifty thousand plans covering more than 100 employees, but which include all but about 6 percent of the employees covered by such plans. These are the plans with which the Federal agency will be primarily concerned.

(c) The argument is made that S. 2888 will create a vast Federal bureaucracy at an expense estimated as high as \$100 million.

There is really no basis at all for this statement. Again, it appears to reflect a misconception of the objective of the bill. In addition, such a figure as cited does not appear to be responsible. The Securities and Exchange Commission, which has had long experience in the administration of disclosure statutes, estimated, after careful study, that the annual cost for administering the bill would be approximately \$1½ million. The estimate of the Department of Labor was \$1,659,000 for the first year and

\$1,288,000 for the second year. To pick out of the air some figure vastly greater than these amounts is to disregard the factual analyses of the agency which will administer the bill and an agency which has had long experience in this type of administration. Further, the cost of administering a one-operated Federal disclosure act, which would also supply information to the States, would be negligible to the infinitely greater cost to the taxpayers and the plans themselves which would be occasioned by 48 different States imposing diverse and repetitious requirements.

(d) It is argued that S. 2888 will deprive unions and management of the right to contract with respect to placing upon one party or the other the full responsibility and the burden of expense for the management of the fund.

Of course, S. 2888 does nothing of the kind. It interferes in no way with the right of contract or the form the plan will take. It merely provides that whoever manages the plan will make a report of the financial operations and reserves in the plan. It perhaps could be stated that the bill would prevent labor representatives from contracting with management for secret reasons, but such a contract would be against public policy, so it really deprives no one of any legitimate rights.

(e) It is argued that the bill will require employers to surrender to labor unions economic and bargaining power which should be negotiated through the normal channels of collective bargaining.

Is it contended by this statement that employers have some inherent right of secrecy in dealing with their employees on future economic benefits which are held out to the employees on a competitive basis, and that an employee must rely upon some bargaining agent in order to obtain his rights? The issue of employee pension plan costs should be no different than wages in negotiating at the bargaining table. The information with respect to the costs of such plans should be equally helpful to both parties at the bargaining table, and these costs could better be used by employers to turn down unreasonable demands of labor instead of as a cloak of secrecy.

The supplemental views of the Senator from Colorado [Mr. ALLOTT] go on to point out the confusion of the issues in the majority report, and cite illustrations of confused conclusions by the majority, the evils of creating a new Federal bureaucracy, the tendency which disclosure will have to encourage financial unsoundness of plans and create investment problems, and to explain that disclosure of confidential data is undesirable. However, how much weight can be placed on these arguments when, in support of the contention that the majority failed to distinguish between contractual and fiduciary relationships, it states "the Supreme Court has stated clearly the distinction between contractual and fiduciary relationships," but cites as its authority a 1932 circuit court of appeals decision which deals with wholly unrelated matters, *Railway Express Co. v. United States* (56 F. 2 (d) 637).



In summary, I recommend the favorable consideration of the proposed legislation. I do not think it places an unfair burden on any employer. I think it must be recognized that pension and welfare plans have had a tremendous development since World War II. Pension plan reserves alone now amount to more than \$35 billion, and are increasing each year by an estimated \$5 billion to \$7 billion. These plans are under no adequate control today, and are not subject to disclosure either to the Federal Government, or State governments or in most cases the beneficiaries who have a direct concern.

There is no doubt that this is an area in which the States are going to begin to move. As I have said, five States already have done so in a limited way, and Massachusetts has enacted a comprehensive statute.

I believe we shall be doing a service to all employees and employers and to the States by passing a bill that will cover this matter on a nationwide basis, so the various companies will not be burdened by different laws in different States—and certainly such laws will be enacted during the next 5 or 6 years. I believe there should be one nationwide disclosure law. In my opinion, this proposal will not burden either employers or employees. From \$50 billion to \$70 billion will be involved in these plans during the next 10 years; and the manner in which they are operated is of tremendous importance not only to the beneficiaries but to the entire economy.

So I believe it is most important that the Federal Reserve Board and the Treasury have information regarding how the employer groups and joint groups are handling these assets. The way they are being invested, as I have said, can affect the entire economy.

All we are requesting the employees and employers and managers of joint funds to do is to disclose details of the financial management of pension and welfare plans.

I believe this area needs action, and that action regarding it is long overdue.

So I hope the Senate will pass the bill.

Mr. MONRONEY. Mr. President, will the Senator from Massachusetts yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Massachusetts yield to the Senator from Oklahoma?

Mr. KENNEDY. I yield.

Mr. MONRONEY. I should like to compliment the distinguished junior Senator from Massachusetts on his excellent speech and on the purposes of the bill. I am delighted that he favors including provisions for both the employer funds and the employee funds, because to make fish of one and fowl of the other would result in suspicion that only the employees groups were regarded as capable of being corrupt or were regarded as needing the advantages which the bill will provide.

Mr. KENNEDY. The fact is that 90 percent of the plans are employer plans. So we would be doing very little good if we were to provide for the inclusion of only the employee funds or plans.

Mr. MONRONEY. Yes. Furthermore, we provide for the auditing of bank funds of every description, including those of State banks, and even they have the advantage of the Federal Deposit Insurance Corporation procedures.

Mr. KENNEDY. That is correct.

Mr. MONRONEY. Do we not even go so far as to provide for inspection and auditing of the funds of the credit unions? Today they are registered under these measures.

Mr. KENNEDY. Yes.

Mr. MONRONEY. And also the building and loan associations that are members of the Federal Home Loan Bank Board.

Mr. KENNEDY. That is correct.

Mr. MONRONEY. So it seems to me that in view of the vast sums of money—amounting to billions of dollars—in the plans the distinguished junior Senator from Massachusetts has mentioned, it is long past time that uniformity of treatment be provided for and that a Federal law provide an orderly way by which to guarantee the safeguarding of the retirement income a man has earned—something that is almost priceless to him.

Mr. KENNEDY. Of course, when a man is looking forward to reaching the retirement age of 65, he certainly is entitled to have information, at least, about the plan covering him and about how the funds are being invested. That is all we are seeking, by means of the requested disclosure.

To say that a worker should be denied this information is not, I believe, to give proper recognition to the actual ownership of the money on a long-range basis.

So I am glad to have the support of the Senator from Oklahoma.

Mr. MONRONEY. I think this measure will prove to be milestone legislation in the protection of the workingmen of America and the rights to which they are entitled after long service. When the bill is enacted into law—if it is not destroyed by mutilating amendments—I believe it will provide such a milestone in our history.

Mr. KENNEDY. I thank the Senator from Oklahoma.

Mr. DOUGLAS. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. Yes; certainly. The Senator from Illinois conducted hearings which served as a basis for this bill. He has long been much interested in the subject matter. I am glad to be associated with him in this effort.

Mr. DOUGLAS. Mr. President, I rise to congratulate the Senator from Massachusetts for the energy and intelligence he has displayed in connection with the hearings and in the framing of the final draft of the bill.

The bill is of tremendous importance. It has not attracted the public attention it deserves. However, it deals with a subject upon which I believe it is necessary for the Congress to legislate.

The principle the Senator from Massachusetts has advanced, and which lies at the basis of this effort, is that sunlight is a great disinfectant; that if there is proper publicity regarding the affairs of a welfare or pension fund and its man-

agement, then the temptation for trustees to abuse their office will be greatly diminished.

Let me ask the Senator from Massachusetts a question: If these affairs are being honestly conducted, why should anyone fear disclosure?

Mr. KENNEDY. I never obtained a satisfactory answer to that question, except it was stated that if a company revealed the details of its portfolio, such disclosure might prevent it from making a profit by means of an investment which otherwise it might make.

But as the Senator from Illinois knows, we ask for only a most general type of information. After all, we do not expect employer groups to play fast and loose with these funds and to use them in investments which are not solidly based. I believe that their interests and the interests of their employees could not possibly be harmed by asking for the details of their portfolios, to the extent that we propose.

Mr. DOUGLAS. I understand that the investments are to be listed by classes, or types, and not by individual companies.

Mr. KENNEDY. That is correct.

I must say that it seems to me that such a provision provides sufficient protection to prevent employers from being compelled to release information which might be of benefit to their competitors. By providing for that general classification, as I have said, it seems to me sufficient protection is afforded.

Mr. DOUGLAS. I have been mystified for many years as to why so many employers and employers' associations and insurance companies—although not all insurance companies, thank the Lord—have opposed a measure such as this one, because it seems to me that if these programs are being honestly conducted, nothing whatsoever is to be feared from a disclosure of the facts of investment and the expenses of administration.

In fact, I would think the ethical insurance companies—which I believe outnumber the unethical insurance companies—would welcome a program such as this one, because it will restrain competitors who are less scrupulous; and where the administrative costs are too high, or where rebates or kickbacks are being paid, they will be eliminated; and therefore the ethical companies will be freed from the unfair competition by companies which engage in such practices.

Mr. KENNEDY. I should like to make a comment on the reference the Senator from Illinois has made to why he believes the level of benefit plans should be included. It was frequently stated that the investigation the Senator from Illinois conducted concerned itself mostly with joint plans—employer-employee plans—set up under the provisions of the Taft-Hartley Act; that in the level of benefit plans there is a self-regulatory feature; that, after all, in the final analysis, the employer would not rob himself; and, therefore, that there is no need of protection in these plans.

I should like to have the Senator from Illinois comment on those points.

Mr. DOUGLAS. Mr. President, let me say that the investigation the Senator

from New York began in 1954 was confined almost exclusively to plans which either were administered by unions or were jointly administered; and I inherited those cases when I became chairman of the subcommittee in 1955. I continued the investigations.

It was not until the late summer of 1955 that we had a chance to go into employer-managed plans, which are generally fixed-benefit plans. We went into some of the details of two very important plans. In one of them we discovered what I certainly regarded as a highly questionable practice, which is fully described in the hearings. It was brought out in the testimony, on cross examination, that reserves accumulated for the benefit of all employees were, upon the institution of a collectively bargained plan, transferred to the salaried workers, who were not under collective bargaining. That raised a question as to where the rebates or refunds would go. The record on that point is perfectly clear. What the company did was undoubtedly legal. But in the opinion of a majority of the investigating committee, the propriety of the action was extremely dubious.

It also became clear that there were many abuses in the insurance industry itself—instances of kickbacks and refunds, determined not so much on the basis of the experience the companies had actually had in regard to such funds, as upon the bargaining pressure of the trustees. One insurance company witness said that was a common practice in the industry, and that therefore he was compelled to do the same. He did not draw any distinction as to whether or not the funds in question were employer managed or employee managed.

The Senator has mentioned that there are sound, logical reasons why the proposed law should be all-inclusive. The Senator from Illinois agrees. In the first place, in those plans which are contributory—that is, where the workers contribute—even though the benefits are fixed, the employees are paying a part of the cost, and the question arises, Should not they have the right to know how their contributions are expended?

Secondly, even in those cases where the employees do not contribute—that is, where there are both fixed benefits and exclusive employer contributions—as the Senator from Massachusetts has pointed out, the employer's costs under those plans are really a part of the wages. They are offered as inducements to get labor to enter the employment or stay in the particular company. They affect the wage scales. They are fringe benefits which have an effect on general wage scales. Hence, in a sense, even though employees do not contribute directly, they contribute in an indirect way, as they forego direct wage increases that might otherwise take the place of these benefits. So they have a right to know.

In addition, companies may want to protect themselves in many cases from arrangements which the insurance companies may have with some of the employer officials. It is not true that the only rebates which are offered are rebates from the companies to union

officials. How are insurance agents chosen in private industry? Are they chosen by a process of competitive bidding, or does relationship or friendship also constitute a factor? Are there under-the-table dealings?

On just plain a priori reasoning, it seems to me wrong to conclude that all the possibilities of evil reside in union managed plans or in jointly-managed plans, and that none of the possibilities of evil are in employer-managed plans.

It seems to me employers who are opposing the bill put themselves in a very untenable position when, on the one hand, they say, "Let there be publicity for all jointly- and union-managed plans, but for ourselves, no publicity." I do not see how anyone can defend that position.

Let me say that my friend from Colorado [Mr. ALLOTT], with whom I have worked on the committee, and who is a man of integrity, conducted his part of the investigation in perfect decorum and with complete fairness. So I hope the Senator from Colorado will not think I am casting any reflection on him when I express my amazement that certain people hold such views.

Mr. KENNEDY. I want to associate myself with the statement of the Senator from Illinois. No one has given more valuable service than the Senator from Colorado has to the subject. He is the sole survivor, certainly on his side, of investigations extending over a period of 4 years. While we disagree with him, I recognize his service, as I know the Senator from Illinois does.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes; I yield to the chairman of the committee.

Mr. HILL. First, I want to commend the Senator for his able and clear presentation in the Senate this afternoon. I know the distinguished Senator from Massachusetts has done a very considerable amount of work on the bill in this session of Congress, as well as in the last session of Congress. He is also a diligent member of the McClellan investigating committee. He has also held some hearings on general labor legislation. In fact, I know he has even undertaken the rather arduous work of preparing a bill so that there might be full hearings on general labor legislation.

I should like to ask the Senator a question. Is it not a fact that the bill which the Senator has reported, and which is now before the Senate, is in line with recommendations of the Secretary of Labor, Mr. Mitchell?

Mr. KENNEDY. That is correct. I wish to thank the chairman of the Committee on Labor and Public Welfare for his kind words and constant support. It is a fact that the bill covers 1 of the 5 recommendations of the McClellan committee. The McClellan committee did not go into detail, so I am not suggesting the members of the committee endorse the provisions of the bill in toto, but they endorsed the concept of disclosure of welfare and pension funds. Therefore, I am particularly glad the bill has come to the floor. It has received the wholehearted support and devoted efforts of the Senator from New York

[Mr. Ives], who is a cosponsor of the bill.

I thank the Senator from Alabama for his contribution.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. GORE. I have listened to the able address of the distinguished Senator of Massachusetts. I congratulate him on the great effort he has made in this important field. As I understand the bill, it seeks to correct such evils as may exist principally through the requirement of disclosure. Is that correct?

Mr. KENNEDY. That is correct.

Mr. GORE. But I notice, in addition, specific penalties for the failure to comply, for false entry, for alteration of records. Does not the distinguished Senator think that these requirements go beyond the requirement of reporting?

Mr. KENNEDY. There is no doubt they do. We are attempting, first, to make sure that a report, in the first place, is an honest report; that there is no changing of records in making a report. In addition, of course, it is provided, on page 25, that, subsection (d):

Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use or to the use of another, any of the moneys, funds, securities, premiums, credits, property, or other assets of any employee welfare or pension benefit plan, or of any fund connected therewith, shall be fined.

That prohibition is very clear so far as concerns embezzling, stealing, abstracting, or converting.

Subsection (e), on the same page, also refers to a prohibition.

Mr. GORE. On what page is that provision?

Mr. KENNEDY. On page 25.

Mr. GORE. Would the provision encompass practices which have in a few instances been revealed, of taking welfare and pension funds under a certain general record entry, only to be used later for personal gain, pleasure, or expenditure?

Mr. KENNEDY. That is correct. Such violators would be subject to the penalties described in section 13 (a).

Mr. GORE. The Senator is of the opinion, then, that the bill not only requires accurate reporting and disclosure, but provides reasonably stiff penalties for violations thereunder?

Mr. KENNEDY. That is correct. I am glad the Senator brought the point up, because it is important and we may have passed over it.

In addition to the disclosure, there are set down penalties for falsifying records.

On page 25, section (d) relates to any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use or to the use of another any of the moneys, funds, securities, and so forth involved in the welfare or pension benefit plan.

Section (e) relates to any responsible officer of such a plan, if he receives or agrees to receive any fee, kickback, commission, gift or thing of value with intent to have his decision or action on any question or matter concerning the procurement of property or insurance or



other services for or in connection with such plan influenced thereby.

In addition to the disclosure feature we are attempting to prevent the kickbacks and so on which have interfered with the judicious management of these plans.

Mr. GORE. I thank the Senator.

Mr. KENNEDY. I thank the Senator from Tennessee for his questions.

Mr. MONRONEY. Mr. President, will the Senator yield briefly?

Mr. KENNEDY. I yield.

Mr. MONRONEY. I have been impressed more and more with the discussion of the bill and with the colloquy just had between the distinguished junior Senator from Tennessee and the distinguished junior Senator from Massachusetts.

Going back to the item of the disclosure with relation to employer-managed funds, is it not a fact that the payments by the employer into an approved pension or retirement fund are tax-exempt?

Mr. KENNEDY. That is correct. It is a tax deductible item.

Mr. MONRONEY. So for a corporation which is in the 50 percent tax bracket 50 percent of the money really would have been paid to the Federal Government, if it were not used for this purpose?

Mr. KENNEDY. The Senator is correct.

Mr. MONRONEY. Is it not also a fact that the record will show that in the history of the establishment of these funds great progress was made during the war years, when the tax rate on excess profits brought corporations to payments as high as 90 percent?

Mr. KENNEDY. That is correct. Therefore, rather sizable sums contributed to many of these plans became tax exempt.

Mr. MONRONEY. It went out of the public use into the pension fund.

Mr. KENNEDY. And the rest is the property of the employees, on a deferred basis.

Mr. MONRONEY. Indeed. So there is every justification in the creation of these funds for the right of the employee to have a certain definite fund, for which he can depend upon proper administration, at the end of his working years. Also, in the creation of the funds there was a degree of sacrifice or loss of revenue from the Federal Treasury, and perhaps even from the State treasuries, since in the war years the excess-profit taxes were very high and many corporations paid as much as 90 percent. Therefore, the contribution of money which otherwise would have gone into the public use went into the establishment of such funds. Consequently, it is proper both from a humanitarian standpoint and from a fiscal standpoint to have a disclosure, as the bill described by the distinguished junior Senator from Massachusetts provides.

Mr. KENNEDY. The Senator is perfectly correct. To further comment upon what the Senator from Tennessee mentioned, the Senator from Illinois [Mr. DOUGLAS] knows of cases where people who had mishandled money of this

type in welfare and pension plans, with great kickbacks, and so on, were brought before the investigating committee. There was no action anyone could take. There was nothing illegal involved, so far as the Federal Government was concerned, and those people went completely scot free. Either the statute of limitations had run out in the State or the State did not take action.

Therefore, I do not think, on the basis of the penalty described in the bill, it would have prevented the situation the Senator from Illinois described.

Mr. DOUGLAS. The Senator from Massachusetts is correct.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. GORE. Of course, the act of defrauding would be a violation of State law. As I understand the bill under consideration, as the able Senator has explained it, such an act with respect to a pension or retirement fund would hereby become a Federal crime.

Mr. KENNEDY. The Senator is correct. I would say also to the Senator that on page 25 there is language relating to fees, kickbacks, gifts, or things of value. It might be possible those are not covered by the State law. We could have a widespread abuse of the type the Senator from Illinois uncovered, and still there would be no effective penalty by the State or by the Federal Government, and a person involved in such a transaction could go scot free.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. DOUGLAS. One of the notorious cases which developed was in connection with the Distillery and Wine Workers Union, which seemed to have strong gangster influences connected with it. Here there was a real abuse and apparent misappropriation of funds by the managers of the welfare fund. We were about to summon that group before our committee for testimony when District Attorney Hogan in New York asserted jurisdiction and secured indictments, which brought those persons to trial. However, the case was thrown out of court in New York by a decision of the judge, in which the judge said that those acts were not illegal in the State of New York.

The acts were not criminal offenses and were not violations of the law in the opinion of the court, and the judge said those persons could not be reached in the State of New York. I think there is sound reason for believing that, from a legal point of view, the decision of the judge was probably correct. That big loophole is more than adequately plugged in the proposed legislation.

Mr. KENNEDY. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me before he yields the floor?

Mr. KENNEDY. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I want to commend my friend from Massachusetts for his valiant efforts in this field, and for the long time he has spent on the legislation. The Senator from Illinois worked a great deal last

year in the hearings, and I know the Senator from Massachusetts cooperated with him.

I understand the Senator has spent a great deal of time this year in order to bring the bill to the Senate for consideration. I think it is good legislation. I expressed the hope several weeks ago that we could vote on the measure in the Senate without any crippling amendments. I hope we may do that this week; and, if not, certainly sometime next week. I hope, when we shall have concluded with consideration of the legislation, since the Senator is chairman of the Subcommittee on Labor of the Committee on Labor and Public Welfare, that the Senator will continue the hearings into the general subject of labor legislation, with the thought that perhaps we shall have other labor legislation before this body before we adjourn.

Mr. KENNEDY. That is my intention. I thank the Senator very much.

Mr. ALLOTT obtained the floor.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ALLOTT. Mr. President, I yield to the Senator from Nebraska for an insertion.

Mr. CURTIS. Mr. President, I offer an amendment to the bill, S. 2888, and send it to the desk for appropriate action.

The PRESIDING OFFICER. Does the Senator desire to have the amendment printed?

Mr. CURTIS. I desire to have the amendment printed and placed with the other amendments.

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield to me so that I may suggest the absence of a quorum?

The PRESIDING OFFICER. If the minority leader will indulge the Chair a moment, does the Senator from Nebraska intend to call up his amendment at this point?

Mr. CURTIS. Not at this point.

The PRESIDING OFFICER. The Senator desires merely to send the amendment to the desk and have it printed?

Mr. CURTIS. I desire to have the amendment printed and held at the desk with the other amendments, to be called up later.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may yield to the Senator from California [Mr. KNOWLAND] for the purpose of suggesting the absence of a quorum, with the understanding that at the conclusion of the quorum call I shall retain my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, we are about to embark upon the consideration of a piece of proposed legislation which has been the subject of hearings for more than 5 years. After those years of investigation, hearings, and deliberation, the majority of the Committee on Labor and Public Welfare have concluded that there is an urgent need for a Federal disclosure statute which would cover all types of private employment benefit plans, whether pension or welfare, unilateral, bilateral, self-managed, or insured, contributory or noncontributory, bargained or not bargained, funded or not funded, level-of-benefits or fixed-cost plans, trustee plans, or insured plans—I could go on almost ad infinitum.

I appreciate the remarks of the chairman of the subcommittee [Mr. KENNEDY], as well as those of the Senator from Illinois [Mr. DOUGLAS]. I should like to preface my own remarks with a statement about my own interest in this subject.

First of all, I disclaim any personal interest in the outcome of this effort, inasmuch as I, as a lawyer, have never considered myself in the general class of an employer, except with respect to the stenographic help in my own office.

It seems to me that the first thing we must avoid in the consideration of this legislation is the temptation to be sloganized out of the United States Senate. We have already heard the beginning of the sloganizing—"If they have nothing to hide, why do they not want to report?" Or, to use another of the good slogans, "You cannot say that one class of people is honest and another dishonest." With that I agree. But, when that is said often enough, the temptation is to believe that the person against whom it is being directed is saying that a certain class of people is dishonest. Far from it.

I have said many times in our committee in the discussion of this subject—and I repeat it here—that thieves and looters are where we find them. I hope we can stick to that principle.

I anticipate that in the course of the discussion of the pending bill there will be many efforts to make it appear that the view which I have taken is a view favoring management, as against labor. This is not the truth and I categorically deny it. In fact, I think I shall be able to show, before I have completed my remarks, that what I propose would bring more justice and greater benefits to labor than would the proposal of the majority of the committee.

Here again I must say, by way of background—and I see on the floor the distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished Senator from Massachusetts [Mr. KENNEDY], who, I am sure, will agree with this statement—that, so far as I can recall now, in the 3 years or so that I have served on the committee, I believe there were not more than 2 or 3 of the sessions of the committee which I missed.

At the outset I want to summarize the reasons why I believe S. 2888 should not be approved in its present form. The

overall or shotgun approach is contrary to the weight of the evidence presented, and will make it difficult for the administering agency to detect the evils which disclosure is intended to reveal; will create an unnecessary, vast new Federal bureaucracy; will deprive management, unions, and labor of the right to contract with respect to placing upon one party or the other the full responsibility and the burden of expense for the management of the fund; and will require employers to surrender to labor unions economic and bargaining powers which should be negotiated through the normal channels of collective bargaining, and will do it all by law, instead.

The kinds and types of these plans are almost numberless. To gain a proper understanding of the question we are discussing and will be discussing for the next 2 or 3 days, it is necessary to fix in one's mind certain fundamental and elemental definitions.

As used in S. 2888, and as used by the committee at my suggestion, ever since the first bill was written, there are three terms which are employed constantly. I find that many people, in discussing this subject, almost invariably confuse these terms and tend to use them interrelatedly, and therefore get lost and confused in the subject matter. These terms are "registration," "reporting," and "disclosure."

Registration is that act by which the manager or operator of a fund registers his fund with a designated agency. At various times all sorts of suggestions have been made as to which agency shall handle the matter. S. 2888 provides that the Department of Labor will do it. S. 3443, introduced by myself, provides that the Securities and Exchange Commission will do it. A former bill, introduced by the Senator from Illinois [Mr. DOUGLAS], provided, I believe, that the Securities and Exchange Commission would do it. However, the registration is the mere act of filing, with a given agency, of the plan, its fundamental nature, and general data about it, whether it is contributory or noncontributory, whether unilateral or bilateral, whether it is a single employer or multiemployer, and so on down the list, until there is covered the vast field of the kinds and types of the plans.

These plans may be variously classified. It is not possible to talk about a plan and assume that in doing so all plans are discussed. There are so many combinations of plans that it would require a vast tome merely to show the combinations of plans which are in effect in the United States.

The second term which is used is "reporting." As used in the proposed legislation, "reporting" means filing detailed information upon an annual basis with the agency, in this case the Secretary of Labor. The information is to be held available by the Secretary of Labor there for anyone to examine at his convenience.

The third term which is used is "disclosure." I am afraid that the use of this word has become slightly altered in the course of the discussions and talks, and since the general use of the word was adopted by the committee.

As originally adopted, it meant not only furnishing detailed information by the managers or operators of a fund to the employees, but it also meant, in addition, disclosure between one or more of the parties who are privy to the operation of the fund.

Another element which is necessary for anyone who intends to study this subject to know is that there may be, and sometimes are, as many as five parties who could be called privy to the management of a fund, and they are as follows:

First, the employer. Second, the employee. Third, the union as such. Fourth, the trustees who manage or operate the fund. Fifth, insurance companies.

If the complexity of the subject were not multiplied already by the numerous kinds of funds which I have indicated, those complexities are increased almost in arithmetical progression by the fact that these funds vary also as to who operates them and the parties necessary to the operation of the fund.

For example, one fund may merely be a fund in which an employer, the union, and the employee are concerned. The next fund may concern only the union itself. For example, the Distillery Workers Union owns its own fund and operates its own fund, and uses no insurance company and uses no trustees. I shall discuss that particular fund at greater length later in my discussion.

There are other funds which, for example, have a trustee, an employer, a union, and an employee. There are some which eliminate the trustee and use an insurance company. There are some in almost every conceivable combination of those parties to a fund.

I believe the discussions and the hearings which the Senator from Illinois [Mr. DOUGLAS] conducted shed most of the light that has been shed or will be shed on this subject. I say that because, unfortunately, in the last session most of the discussion was limited to a rather stylized and formalized presentation of views, rather than a presentation of the problem itself as it appeared to the committee.

Mr. President, before the Senate takes a step in haste which may prove irrevocable, we should pause to consider the objectives of this legislation. The committee has heard, during the past 4 years, the views of labor, of management, of Government department and agencies, of fiduciaries, of insurance companies, of economists, and of State authorities.

I must say, with all due deference to the Senators who were discussing the subject some time ago, that the conclusions which they have drawn from the hearings are not the conclusions which any logical person can draw from them. Hundreds of witnesses, representing scores of organizations, have appeared before the committee. We have unearthed abuses that cry for correction and which all agree must be corrected. But the committee majority has confused means with objectives. It has lost sight of the real goals—the curbing of abuses and the protection of the great body of labor from the predatory acts of a few of its leadership and from those



who penetrate to positions of power and influence in the management of welfare-benefit funds. In the Taft-Hartley field of jointly administered funds, this includes representatives of both management and labor.

The committee majority has given its approval to a bill that is completely misleading. What the bill presumes to do, it cannot do; what it should do it does with a cumbersome set of Government mechanisms which complicate further a problem that is not simple in nature, but which can be corrected with some fairly simple legislation. The cure calls for vastly less complex registration and administrative procedures than the bill provides.

The majority seeks to halt the risk of exposure of labor welfare funds to looting, larceny, and misuse, and I am in complete agreement with that objective. But the bill we now have before us establishes a reporting and disclosure system that will make it even more difficult to detect the abuses it seeks to cure. It will superimpose further costs and complexities upon the management of the funds that will result in a dilution of benefits intended to be paid to labor, not to an army of administrative workers.

No one in the Senate believes more than I in an adherence to the principle that the moneys collected for these funds should be administered, managed, and operated with the highest type of efficiency, and that only the highest type of honesty and integrity can be tolerated. More than that, no one in the Senate believes more firmly than I that every cent which goes into the funds should buy the most possible protection for the beneficiaries, who are the working men and women. For that reason, the standards of honesty and integrity, of which I have just spoken, are a necessity.

However, S. 2888 would discourage employers in their efforts to create, manage, and administer welfare benefit plans. It will drive them further into the use of the very types of plans where abuses are most easily committed and least easily ferreted out.

Now perhaps is as good a time as any to discuss in a general way, although I shall do so later in more detail, the difference between the so-called fixed-cost plan and the level-of-benefit plan. The chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY], in his remarks on the floor a few minutes ago, used different terms from those which the committee has used and, I believe, as to which it has agreed upon the meaning. It is my hope that upon the floor of the Senate, when discussing the matter, we will not start using different terms, because such terms, in considering a question so complex, can only lead to further confusion.

The term "fixed-cost plan" refers to the plan under which a certain amount of money is placed in a fund. It may be contributed by the employee, or it may be contributed by the employer, or by both. But the effect of a fixed-cost plan is to take a certain number of cents an hour of wages, or a certain percentage of the payroll, or a certain unit of production, and with this money to

create a pool out of which the benefits are to be provided. Almost all of these plans were developed under the Taft-Hartley Act, and are known as Taft-Hartley funds, because under section 402 (c) the payment of moneys otherwise than through one of these funds, and under a written trust agreement, is forbidden by the Taft-Hartley Act in this situation.

The effect is that immediately there is created a pool of money, which frequently represented a glob of honey attracting the crooks and looters, of which we have ample testimony.

Our subcommittee, under the chairmanship of the Senator from Illinois [Mr. DOUGLAS], if it had gone on and investigated this field, could have, I may say without contradiction, continued for a period of 2 or 3 years and still not exhausted the operations warranting investigation.

I propose later to discuss the specific abuses and how they arise. I shall show how the bill which is before the Senate totally fails in its stated purpose.

The other type of plan is the level-of-benefits plan. Regardless of any other interpretation which may be put upon it or whatever may be said about it, it is a fact that when the committee began to investigate the funds there was no directive to the committee or to the staff to investigate only one type of fund.

The illusion has been created that somehow there was a directive from somewhere to investigate only one type of fund, and that that is why they did not find anything wrong with the level-of-benefit fund. This is not so. Let us lay this contention to rest, once and for all.

In a level-of-benefit fund, as defined in the exemption which I shall offer, the employer guarantees to the employee a certain level of benefits. That level of benefits could apply to welfare benefits including sickness, accident, health benefits—many funds use the Blue Cross and Blue Shield in doing this—or it could apply to pension and retirement benefits; it could apply to life insurance. Whatever the level of benefit is, it is the result of an agreement, express or implied, between the employer and the employee. The test is the existence of an obligation to provide a fixed benefit. That is the test of my exemption. My exemption would not operate unless this test were met. This implies an additional test which is that the employer assumes the responsibility for the cost of those benefits, whether the cost goes up or down.

A typical example of how this type of plan might work was demonstrated last year for the employers who had level-of-benefit funds which contained sickness benefits. Many of the beneficiaries of such funds were hard hit by the Asiatic flu. Under such circumstances, the cost to the employer, not that year, but the next year, went up. The employer had to assume those costs. The point which the majority simply fails and refuses to recognize is that if the employer buys more expensive insurance than he need buy, or if he operates his fund in a poor way, or if he should put his hand into the till and

take out \$5 and stick it into his pocket, all he is doing is increasing his own cost, and not in any way decreasing the benefits guaranteed to the employees. No one is deprived of benefits—as is true in the case of the fixed-cost type of plan. Instead, what the employer has neglected to do, or what he has not done, he pays for out of his other pocket. So in the level-of-benefit plan there are self-policing characteristics which are completely absent from the funds developed under the Taft-Hartley Act.

In the heat and confusion that have been involved in the drafting of this bill, the majority has with good intentions fallen into error. It has confused pension plans with welfare plans; it has confused fixed-cost plans, where the abuses have almost invariably occurred, with level-of-benefit plans, which the testimony has repeatedly shown are free from corruption; it has confused reporting with regulation; it has confused necessary Federal intervention with sweeping and unjustifiable incursion into an increasingly important and overwhelmingly honest and well-managed area of our economic and social life.

Mr. President, I want to dispel these misunderstandings. Until and unless the distinguished Members of the Senate have placed before them an adequate clarification of the real problem, exact knowledge of the where and how of union welfare fund looting, kick-backs, and embezzlements; and an understanding of the direct and appropriate method of correcting them, the Senate will be voting in confusion on an issue which reaches into the lives of perhaps as many as 85 million people.

Mr. President, in order that I may give a general picture of the funds involved in this area, let me say that as nearly as we know, close to \$30 billion is locked up in these funds in the United States. The annual contributions to the funds amount to approximately \$7 billion to \$8 billion a year. In the area where we found abuses to exist—in the fixed-cost type plans—we believe approximately 8 percent to 10 percent of the total funds are to be found. We found all of the abuses there. We found none in the other funds. We found the abuses in the fixed-cost type funds.

So the abuses exist in a rather small area. It should be regulated not because of the persons involved, but because there have been created these huge funds from which persons can steal. As I have said in that area there are about 10 percent of all the funds.

Certainly the question will be asked, "Why is this so significant?"

It is significant, Mr. President, because 10 percent of \$7 billion, as anyone knows, is approximately \$700 million or \$800 million a year, which goes into the fixed-cost plans. So we have \$700 million to \$800 million a year going into the fixed-cost plans, into the plans in the area where we found all the abuses that man can conceive of, and some he had never conceived of before, I am sure.

In using the figures I have just stated, I wish to make sure that the other Members of the Senate understand that I am only using the best figures which are

available to me. The truth of the matter is that today no Member of the Senate and no other person in the United States has any accurate, full information on this entire field of welfare and pension-fund-plan legislation. For example, in the hearings this year will be found estimates by persons who are supposed to know, those who are supposed to be skilled in this field; and the estimates range, I believe, anywhere from 70,000 plans up to 500,000 plans in the United States. The number which was stated by the Secretary of Labor—and which I believe is as good to use, as a guess, as any other—was 250,000.

This brings up one of the main reasons why I am opposed to the pending bill. In my opinion it is not based upon knowledge. We do not have—and neither does anyone else in the United States—any idea, within several billion dollars, of the total amount in these funds. There are no accurate figures as to the total number of funds. We do not know how many fixed-cost plans there are, as against how many level-of-benefit plans. We do not know how many of these plans are funded. We know generally that most welfare plans are not funded. But beyond that, we have almost no good comprehension of how many of these plans are funded. We do not know how many multi-employer funds there are in the country. We do not know what the average amounts of fundings are. We do not have any idea whatever as to what good funding is. One can search almost all the pages of the hearings held by the committee, before he will come to one word which even purports to say what good funding is.

So in that sense I say the bill is misleading. I say it will not do what its proponents say it will do when they indicate it will take care of inadequately financed plans.

On this score, Mr. President, I must make my own position clear: I do not believe, either, that the amendment which I shall propose—an amendment to exempt the level-of-benefit plans—is a complete answer to legislation in this field. But it is the only way to make the bill less objectionable than it is now.

One of the objections also may well turn out to be the lack of constitutionality of the bill.

Mr. President, I propose to speak tomorrow at some length on this matter, and to go, first of all, into the history of these plans in the United States and the legal aspects of the funds which are required to be reported. Then I intend to go into detail regarding some of the abuses which our committee found to exist, so the Senate may judge for itself—on the basis of the abuses which exist—whether the bill is anything but a little lollipop to make someone believe we are doing something we are not doing.

I could not support the bill and, after supporting it, tell the workers and the other people of my State that I had supported the bill in the belief that it would cure their troubles in this field. I could not make such a statement to the people of my State, because I could not honestly entertain such a belief.

There are many simple answers. One of the simple answers—one which seems so simple that everyone else has decided just to leave it alone—is to introduce a bill which would require that in the case of all funds which come within the purview of the Taft-Hartley Act, the managers or trustees of the funds be required to file with the Secretary of Labor a bond, in such amount as he would fix.

It is my certain conviction that we would find the rats who loot these funds scurrying for cover and getting out of them faster than they leave the proverbial sinking ship. But apparently this is too simple an idea. It does not create a new Government agency. It is not big enough to impress people that we are doing something. So this plan was never seriously considered by the committee, and I doubt if it will be seriously considered upon the Senate floor.

Mr. President, I repeat, it is these misunderstandings that I want to dispel.

Mr. President, I believe and hope that these prefatory remarks which I have made this evening will open the gates to a consideration of what the real problems in this case are.

Let me emphasize again that the attempt to use combinations of words other than those used in our own bill and in the amendments will only confuse the issue. We need, I believe, a great deal of light on this subject.

After I have discussed tomorrow the specific abuses and the techniques by which certain persons looted the funds—which makes some of the gentlemen, by the way, who appeared before what is commonly known as the rackets committee look like prattling babes in a perambulator—I am sure the Senate will regard the bill which is before it as about the most ineffective attempt to deal with the question that we could probably provide.

Therefore, since the hour is late, Mr. President, and I intend to discuss this subject at greater length tomorrow, I yield the floor.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, S. 2888, the welfare and pension plans disclosure bill now before the Senate, is the result of 4 years of legislative investigation and analysis in which I am proud to have had some part. It deals with a problem of major importance to our people and our economy. I hope it may be approved by the Senate without crippling or limiting amendments.

#### I. WHAT IS AT STAKE

The subject matter of S. 2888 is the great and growing number of employee welfare and pension plans which are a source of protection and future security

to millions of men, women, and children in our country.

The broad scope and significance of the measure is at once apparent as we recall the outreach, variety and status of these plans.

Eighty-four million persons, including dependents, are estimated to be covered by one form or another of welfare or pension plans.

The protections afforded by these plans include group life insurance, double indemnity in the event of accidental death, disability benefits, sickness, hospitalization, surgical, and other medical benefits, supplemental unemployment benefits, and retirement pensions.

The annual contributions to these plans exceed \$8.5 billion.

Since the employer contributions, estimated at \$5.7 billion in 1956, are allowable deductions from taxable income, the heavy impact of these plans upon Federal revenues is clear. If they were not tax exempt, Federal receipts would be \$2.8 billion more than they are.

Since the employers' contributions are a form of compensation, and such plans are commonly an inducement to attract employees, these funds together with those contributed by the employees themselves take on a special status, very like a trust, for the benefit of the 84 million persons who look to them for protection.

The reserve funds for pension plans alone total over \$30 billion.

Obviously the investment of these increasingly mammoth reserves affects not only the security of the beneficiaries, but also the stability of the economy.

As collective bargaining has come to deal with these protections, the initiation and operation of welfare and pension plans vitally affect stable and responsible employer-employee relations.

With recently revealed instances of mismanagement, misappropriation and violation of trust obligations fresh in mind, the public will retain confidence in these plans only if remedial action is taken.

And after these 4 years of Congressional study, the validity and integrity of our investigating and legislative processes are also at stake in our decisions on this measure. We can only justify these laborious investigations if we take the remedial action suggested by our findings. Otherwise they become an exercise in futility and a disappointment to those who look to Congress to follow the facts it discovers to their logical, legislative conclusion.

#### II. THE BASIC QUESTIONS

The basic questions the Senate then has before it are:

First. Shall we take a moderate, reasonable step now—involving merely reporting and disclosure—to afford added protections to these farflung interests? Or shall we delay until a bigger blow-up produces demands for stringent Federal regulation and Government control?

I believe the Senate will answer that we should act now in the reasonable manner proposed.

Second. Shall we limit these mild, new protections to disclosure simply to



those 10 percent of the beneficiaries who are covered by plans that happen to have been set up on a fixed-cost basis and exclude the 90 percent who are in level-of-benefit plans—perhaps we might say fixed-benefit plans—mostly employer-administered?

I hope the Senate's answer to this will be to extend the protections to all and to reject the amendments which would rob this measure of virtually all of its vitality.

I am glad that the administration is warmly supporting both of these positions—and it should be clear that it is—and I hope that a large majority of Senators on both sides of the aisle will come to the same opinion, that S. 2888 without crippling amendments is in the public interest.

### III. BACKGROUND OF THE LEGISLATION

A brief statement of the legislative work that led up to S. 2888 will serve to show that this is no hastily conceived measure. It is rather the result of extensive and careful study by your committees.

The investigation of employee welfare and pension plans was launched in 1954 under Senate Resolution 225 by a subcommittee of which the Senator from New York [Mr. Ives] was chairman. Its first report, revealing various abuses, was filed January 10, 1955.

The chairmanship of the subcommittee passed to me in 1955, and Senate Resolution 40 continued the investigation. The subcommittee and its staff pursued the study in lengthy public hearings, covered 1,619 pages of testimony, in executive sessions, and in extensive field studies and staff inquiries. Existing Federal and State laws were carefully reviewed to determine the adequacy of their protections.

A second interim report was filed July 20, 1955, outlawing some of the worst cases uncovered. And on April 16, 1956, we filed our final report, Senate Report 1734, 84th Congress, covering 356 pages, in which the findings and recommendations of the majority for Federal reporting and disclosure legislation were clearly spelled out. The Senator from Colorado [Mr. Allott] dissented on the question of coverage, foreshadowing the amendment he has proposed to S. 2888.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the conclusions and recommendations from the final report of our subcommittee.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

#### CONCLUSIONS AND RECOMMENDATIONS CONCLUSIONS

The subcommittee, on the basis of its studies and investigations, makes the following findings and conclusions:

1. Private employee welfare and pension programs have grown to such proportions in this country and involve the use of such large tax-exempt funds as to place upon the Government a grave responsibility for their sound operation and to protect the equities of the beneficiaries and the public interest.

(a) Over 75 million persons, employees and dependents, or about one-half of the population of the Nation, are covered in some measure by employee welfare and pen-

sion programs. This tremendous development has come about principally in the past 10 years.

(b) Over \$6.8 billion yearly are being contributed to such programs. Employers contribute approximately \$4.5 billion and employees \$2.3 billion. Between \$20 and \$25 billion have been amassed as reserves to meet the future contingencies of these programs, particularly future pension payments.

(c) The Government permits employers to deduct from taxable income their cost and contributions to these programs. The income from investment of reserves is also exempt from taxes.

(d) Since Congress has stated and the courts have held that employer contributions toward welfare and pension benefits are in the nature of compensation to employees, it must be concluded that whether the funds for such programs are contributed by the employers, the employees, or both, the employees have a right to know the financial details of such plans as well as to have their interest in such plans protected.

2. The lack of standards and the inadequacies of State and Federal laws have permitted employee welfare and pension programs to operate in such manner as to give rise to many abuses, problems, weaknesses and unsound practices which could jeopardize the operation of this system and give insufficient protection to the rights and equities of the employee-beneficiaries.

(a) While the great majority of welfare and pension programs are being responsibly and honestly administered, the rights and equities of the beneficiaries in many instances are being dangerously ignored. In other cases, the funds of the programs are being dissipated and at times become the hunting ground of the unscrupulous.

(b) There is no adequate legislation at either the Federal or State level to fully safeguard these welfare and pension funds or the rights of the employee beneficiaries.

(c) Despite belief to the contrary, qualification by the Internal Revenue Service as to tax exemption for welfare and pension programs provides no real control over the operation of the plans and only minimum assurance of their actuarial soundness.

(d) A great many of these plans are sorely lacking in adequate accounting procedures. Auditing requirements in too many cases are nonexistent. It is the exception when welfare and pension programs provide for an accounting to or an audit on behalf of the beneficiaries.

(e) A serious problem at times in employer administered plans, particularly where the plan has been established or bargained on a level-of-benefits basis, is that the employer takes the position that he is delivering or guaranteeing an end product, i. e., the benefits under the program, and that the costs of these benefits are private business costs, have no relation to employee compensation, and are therefore of no concern to the employees or others. If the employer's costs for these programs are a part of employees' compensation which he is permitted to deduct as such from his taxable income, then he is not delivering a product from his own costs and his employees are entitled to information on the financial operation of the plan.

(f) Many of the worst abuses found in welfare plan operations involve certain insurance practices. These abuses include high commissions, excessive administrative fees, high insurance company retentions, unequal treatment of the policyholders, activities of unscrupulous brokers and agents, including embezzlement of premiums, sometimes in collusion with union officials or management—mostly the result of inadequate control and nondisclosure to the interested parties.

(1) The insurance industry is entirely regulated by State law. Many State insurance

authorities have been lax in cleaning up insurance practices. This is attributable in part to the fact that the problem of group insurance is interstate or national in scope and, perhaps in part, to the fact that some State regulatory agencies are too susceptible to the viewpoint of the industry;

(2) The insurance industry, which has long prided itself on maintaining high standards on a voluntary basis, has not yet set up a code of ethics to deter wrongdoing among its membership;

(3) Group insurance is a highly complex business, and serious impairment of beneficiaries' equities has at times occurred as a result of lack of knowledge of insurance practices on the part of those responsible for purchasing insurance;

(4) In many cases, group insurance is bought and not sold. The commissions paid by some insurance companies on group policies, frequently as high as 20 percent of the first-year premium, give many a broker or agent an unearned commission. Such commission practices affect plans administered solely by a union or by an employer as well as those jointly administered;

(5) The beneficiaries of self-insured welfare and pension plans do not presently have adequate protection under State laws.

(g) Some of the worst instances of individual abuses were encountered in the jointly managed multiemployer and union administered welfare programs. The unilateral nature of employer and union administered plans affords less opportunity for disclosure of information as to abuses or maladministration.

(h) Lack of know-how, mismanagement, waste, extravagance, bad bookkeeping and indifference have caused a serious dissipation of the funds involved in these programs generally.

(i) Actuarial and investment soundness are the keystones to successful operation of pension programs. In many cases too little attention has been devoted to these factors.

(1) Corporate or bank trustees, while discharging their stewardships capably, cannot be held responsible for the financial and actuarial soundness of the plan. Often under the trust instrument they cannot control investments which impair the equities of the beneficiaries;

(2) A number of pension plans invest in substantial percentages of the securities and properties of the employing companies.

3. The subcommittee believes that the enactment of a Federal disclosure act would bring a great measure of order to the operation of private employee welfare and pension plans. The primary objective, the subcommittee has concluded, is one of assuring the immediate and long-range stability of private welfare and pension programs without impairing their voluntary or free-bargaining character. As shocking as the cases of dishonesty and fund looting have been and as great as the need is to bring this matter under control, the most important objective is to assure the maximum usefulness and safety of these programs in order that they may better meet the contingencies against which they were established.

(a) It cannot be assumed that the States will act uniformly or speedily, or that the problem can be met on a piecemeal basis. It is unrealistic to suppose that the 48 States will devise uniform procedures within a reasonable time to protect the interests and equities of the beneficiaries of these programs, lacking stimulus from the Federal level; nor can it be anticipated that any 1 State is so influential in this area as to bring this about.

(b) Disclosure of the workings of welfare and pension plans to a Federal agency is a mild remedy, reserving to the States a wide area for additional control. There is much

room, in fact, at the State level for enactment of legislation designed to more clearly fix the responsibilities of trustees and to strengthen insurance regulations.

#### RECOMMENDATIONS

1. The subcommittee recommends the enactment of a Federal registration, reporting, and disclosure act which would be effective for a 3-year period and which should require—

(a) Registration of all types of employee welfare and pension benefit plans which cover 25 or more employees. This registration should include identifying information respecting the plan as prescribed by the act and the regulations of the agency. It should be made within 90 days of the effective date of the act or the establishment of plans subsequent thereto.

(b) An annual report, as prescribed by the act and regulations thereunder, by all employee welfare and pension benefit plans which (1) include 100 or more employees and which (2) include less than 100 employees but are in fact operated or administered on some common basis with other plans (namely, common officers or administrators, union bargaining representatives, or employers, etc.) and, together, include in the aggregate 100 or more employees. The report should be attested to by the principal officer or officers thereof, and contain a detailed financial statement of the operations based upon an audit in accordance with accepted standards of auditing addressed to the beneficiaries and certified by an independent public accountant.

(1) The administrative agency should have discretion to require reporting and disclosure by a particular plan or plans covering between 25 and 100 employees on an annual basis, or less frequently, and to require compliance with other provisions of the act when, in the opinion of the agency, such action is deemed necessary to accomplish the objectives of the act.

(c) Disclosure of information contained in the annual report should be made to the beneficiaries of the plan and other interested parties by making copies available for examination at the principal offices of the plan and in the public documents room of the administrative agency and by providing the beneficiaries with information from the report in prescribed summary form by personal delivery or mail.

(1) The Federal agency should have authority to cause further distribution of annual reports to any other Federal or State agency.

(d) Criminal penalties should be imposed for willful violation or failure to comply with the act or willful false statements or misrepresentations or omission of a material fact, or for unlawful or willful conversion of the funds of any plan or program.

(e) Constitutional authority for such an act should rest upon jurisdiction over taxation, interstate commerce, and the general welfare.

(f) The agency should be given the usual administrative powers to carry out the functions of the act, compel the production of records, conduct investigations, and take any other measures necessary to administration and enforcement.

(g) Based upon its studies, and after 2 years' experience with the act, the administrative agency should make a comprehensive report to the Congress and include therein its recommendations as to the continuance, simplification, or modification of legislation. This report should be furnished in time to permit Congress to take appropriate action before the expiration of the act.

2. The subcommittee has no strong view as to which Federal agency should administer such an act. It is possible to use any one of several existing agencies—namely, the Department of Labor, the Department of

Health, Education, and Welfare, the Internal Revenue Service, or the Securities and Exchange Commission—since the functions of each of these agencies have some relation to this field. It might also be feasible to create a new independent agency for this purpose. For the present, the subcommittee is inclined to favor the Securities and Exchange Commission because of its organizational setup and its established success in the administration of disclosure-type statutes.

3. The subcommittee also recommends the establishment of an advisory council to assist the Federal agency in the administration of such a disclosure act. The council should consist of 13 members, including 3 employee representatives, 2 representatives of management, a representative of the insurance industry, a representative of the banking industry, and 3 representatives of the general public, with the Secretaries of Labor and of Health, Education, and Welfare and the Commissioner of Internal Revenue ex officio members.

For a complete discussion of the subcommittee's recommendations on disclosure, see section IV: Need for Federal legislation.

Mr. DOUGLAS. The findings and proposals are the firm base upon which S. 2888 is constructed. While we found the great majority of the plans to be honestly and responsibly operated, the gross abuses discovered in some cases and the clear opportunity for abuse in others in our opinion called for remedial action.

We uncovered the embezzlement of almost a million dollars from the Laundry Workers welfare plan, along with exorbitant commissions, undue promotional fees, wasteful switching of policies, and collusion between union, management, and insurance officials.

Kickbacks of over half a million dollars to gangsters, excessive commissions and service fees, overliberal salaries and expense accounts, and nepotism were revealed in connection with the Distillery Workers' fund.

Misuse of funds, control of the insurer by the union official in charge, and other loose practices were exposed in the case of a local of the Allied Industrial Workers, then known as the UAW-AFL.

The subcommittee reached employer-administered funds only near the conclusion of its study, but in 1 of the 2 cases reviewed—the General Motors case—it uncovered a highly questionable decision on allocating certain reserves to salaried employees alone.

I may say, in connection with the statement made by the Senator from Colorado, that the investigations conducted by the Senator from New York concentrated attention upon jointly administered plans under the Taft-Hartley law; and when the work was turned over to me as chairman of the subcommittee, there were a large number of such cases, upon which general statements had been made, but no public hearings held.

Some of these cases related to unions in my own city of Chicago. I felt that in all honor I could not sweep those cases under the table, and that therefore I had to proceed with the backlog of work which had been given me as a result of the very efficient labors of the Senator from New York. I therefore concentrated my attention upon cleaning up those cases, and it required a good many months for us to develop the facts.

Some of the cases resulted in convictions in criminal courts. Some of them also resulted in remedial action by the AFL and CIO. So I think the work of our committee did clean up a number of very bad messes, and laid the basis for constructive reform.

The point I wish to make is that this took up so much time that there was not much time left in which to go into the field of employer-managed plans. In the time left, however, a great deal was uncovered in the way of irregular insurance practices, which adversely affected all types of plans, and in respect to the many weaknesses in employer-administered plans, with their one-party control.

The instances of abusive insurance practices were just as shocking as anything uncovered in the actual mismanagement of numerous individual plans. Grossly excessive commissions, as well as irregular service charges and bonuses, were found to have been paid by Continental Assurance Co. to its agent, C. J. Simons Corp., and the agent embezzled \$164,000 in premiums. Employer policyholders, as well as unions, were subject to the losses of these contingency bonuses.

#### MORE EMPLOYER-ADMINISTERED PLANS INVOLVED

High commissions, contingent bonuses, and improper service fees, as well as policy switching were revealed in the dealings of the Washington National Life Insurance Co. with the brokers Dash & Love. Employer-administered as well as jointly administered plans were among those damaged by these practices. Similarly, high commissions and bogus administration fees were paid in connection with the insurance program of the novelty workers. In 4 of the 9 cases of that insurance program, the policyholders were employers.

Eastern Casualty, Mutual Benefit, Health & Accident, and Companion Life all had cases of excessive commissions and service charges.

Discriminatory treatment of policyholders, withholding of dividends, and excessive retentions were also revealed. The last-named abuse was shown in individual company studies, and in staff analyses of 70 insurance companies on the basis of questionnaires. Among the 43 insurance companies with the largest volume, almost 35 percent had retentions of over 15 percent of billed premiums.

Questionable levels of investment of pension funds in the securities or obligations of the employer of the covered workers were also discovered in staff analyses of bank-trustee information. While only a small percentage of the total—less than 2 percent—nevertheless 65 plans had investments in the employer's assets in excess of 10 percent of the fund. Thirty-one plans had over 25 percent of their funds in such investments.

As a general rule, it is unwise for a worker to have all his eggs in one basket, and to have the company with which his fortunes as an employee are bound up be the same company in whose securities investments have been made for him to take care of his old age. Sup-



pose the company fails and he is thrown out of work? He not only loses his job, but he may lose the assets in the pension fund upon which he depended for his old age and for protection during retirement.

Of the profit-sharing plans with pension features, which are on a somewhat different basis, 112 plans—over 7 percent—had over 10 percent of their funds in the employer's assets. In 40 plans the figure was over 50 percent.

I have mentioned only the highlights of the disclosures of abuses and weaknesses of present operations simply to recall that the subcommittee dealt with a wide variety and broad scope of questionable practices. These abuses and weaknesses touched all classes of plans, including employer-administered plans. I repeat, these were exceptional and not the general rule. But in view of the inadequacy of Federal and State laws to prevent their occurrence, the subcommittee concluded that disclosure legislation is essential, and that it is essential for all types of plans, whether employer-managed, union-managed, or jointly managed.

There is a good deal of evidence on this point from the insurance industry itself. When President George Meany testified before the Kennedy subcommittee, on pages 189 and 190 of the record, he gave statements taken from a speech delivered by the chairman of the Second National Bank of Saginaw, Mich., an editorial from the Insurance News of Boston, and a quotation from the hearings which I myself conducted.

First, let me quote from the speech delivered by the chairman of the Second National Bank of Saginaw, Mich., before the convention of the Michigan Association of Insurance Agents, in Detroit, on February 21, 1957. The full text is in the CONGRESSIONAL RECORD for February 26. I read:

And the American insurance man, too, has an interesting job—I found that out over 50 years ago when I was in the business. In those days, competition, especially in the accident and health lines, was of the cut-throat variety. You would go to bed at night wrinkled and withered and worn by your overexertions of the day, and just as you were drifting off into the alluring arms of Morpheus, one of your men would telephone you excitedly that your business was being twisted by the Golden Rule Casualty Co. (which you thought was a friendly competitor). Twisting and rebating were everyday affairs. And quite similar conditions applied in life insurance, too.

If I may interject here, a rebate is a polite name for a kickback.

Mr. Meany went on in his testimony to state—

We also have reliable authority for the view that time has not withered nor custom staled these practices. An editorial in the Insurance News of Boston, Mass., dated July 1, 1954, and entitled "Rebating—A Pernicious Disease" tells us that:

"Rebating—

Again let me say that a rebate is the \$64 word, with deodorants applied, for a kickback—

"Is still widespread practice. It is a disease which has become pernicious. It drives many young men out of the insurance business. We have in mind the case of a young man who recently entered the life insurance business and on his first case was told by

his client that his previous agent always returned 30 percent of the premium. Our young man had the character to refuse and thus lost the case.

"We need an awakening by the insurance men and the public so that we will recognize rebating to be what it really is—a criminal and immoral method of doing business—and this applies just as much to the agent or broker paying the rebate as to the buyer of the insurance who accepts the rebate.

"The Insurance News feels that in discussing this subject we are performing a service to the public as well as the industry since it follows that any insurance agent who will do a dishonest act in the form of rebating will also be dishonest in his other transactions both with his companies and with his insureds."

Mr. President, when I was conducting the hearings of the Subcommittee on Welfare and Pension Funds, there appeared before us Mr. Ralph Knoblock, who was second vice president of the Washington National Insurance Co., and who was in general charge of their industrial insurance business. I read from the testimony at page 1256, as follows:

Senator DOUGLAS. Did you have the impression that there are a good many policies which are controlled not by the insured but by the brokers?

Mr. KNOBLOCK. I would say that the majority of them are controlled by the agent or broker. I am speaking now of groups of any size.

Senator DOUGLAS. Is that true of employer plans or primarily true of union plans?

Mr. KNOBLOCK. I would say it is also true of employer plans.

We are gratified that the labor movement utilized the information uncovered by the committees to proceed vigorously against the offending unions. A number of unions have been suspended from the AFL-CIO because of the investigations started by our subcommittee.

The AFL-CIO has constantly taken the position that it wanted full details of their welfare and pension funds disclosed to the members and to the public; that everyone should have the right to look at the record and see what was happening and how the funds had been spent, what the retentions were, what the salaries and commissions were, and what the investments were in general outline. They have been in the forefront of the fight for full disclosure.

Some criminal prosecutions also resulted.

A number of insurance carriers have also taken action to remedy the evils disclosed, although I must admit that I am deeply pained by the opposition of most of the insurance companies to the pending bill and the opposition of many employers, as registered through the United States Chamber of Commerce and the National Association of Manufacturers.

#### DISCLOSURE IS STRONG DETERRENT TO ABUSE

I am not indulging in slogans, as my friend from Colorado [Mr. ALLOT] implied, when I say that sunlight is a great disinfectant. A great deal of evil occurs in the world because people believe they can sin in private and that their sins will never become public. If they know that their acts will be subject to public view, it serves as a restraint upon them and acts as a powerful force

to keep their affairs conducted in an honorable way.

Personally, I still am puzzled as to why men should be afraid of disclosure of the financial details of these health and welfare and pension funds. In every equitable sense, the funds belong to the employees. The employers who serve as administrators are trustees; they do not own the funds. The banks do not own the funds. The insurance companies have special obligations in relation to these funds. The unions do not own the funds. The funds belong to those who are to be benefited from them. Those who manage them are merely in the position of trustees, and should administer them as trustees. Any trustee should be willing to have his accounts examined and stand before his beneficiaries and give an account of his actions.

As I say, I am puzzled and pained by the action of the great majority of insurance companies and official representatives of the employers. They put themselves in a very false position before the American public. I do not charge that there are abuses which are being concealed. I merely say that the man in the street will inevitably believe that there are abuses because of their unwillingness to disclose.

I submit that a good remedy for this is a willingness to disclose. As I understand it, there is no complete unanimity in the insurance field, but at least one big company would like to disclose the details, and, at the very least, is neutral in the struggle which is going on on the Senate floor and before the public.

When the subcommittee finished its investigation in 1956, however, the recommended bill could not go through the legislative mill in the time remaining in the 84th Congress. It was therefore reintroduced in the 85th Congress on February 7, 1957, and extensive legislative hearings were held on it by a subcommittee under the chairmanship of the Senator from Massachusetts [Mr. KENNEDY]. Over 700 pages of testimony and exhibits were taken and a number of changes were suggested in the bill by Senator KENNEDY's subcommittee.

With the strengthened enforcement provisions and other modifications recommended by this subcommittee, a clean bill, S. 2888, was introduced last August. And with perfecting amendments, S. 2888 was ordered favorably reported by the Labor and Public Welfare Committee a few weeks ago.

I believe it is thus clear that the bill before us has had long and careful study and that the facts which demonstrate the need for the measure before us have been thoroughly weighed and considered.

#### IV. THE OBJECTIVES AND PROVISIONS OF S. 2888

The essence of S. 2888 is the requirement of registration and reporting to the Federal Government of all essential financial data by employee welfare and pension plans and the disclosure of such information to interested parties and the public.

It is not held out as a cure-all. Nor is it a regulatory bill. It is not a regulatory bill, Mr. President. That power is left to the States.

Therefore those who advocate State control and regulation of insurance need not object to the bill. It is merely an attempt to provide for disclosure of plans which frequently cut across State lines.

But it does aim to encourage—by the exposure of the financial facts to public view—honest and more efficient management, sounder investments, more responsible trusteeship, more active employer and employee interest, an end to conflict of interest, favoritism and looting, and self-policing by the various groups involved.

Just as sunlight often acts as a disinfectant, we believe disclosure will tend to deter many of the kinds of abuses our investigation revealed.

#### COVERAGE

The coverage of S. 2888 is broad, reaching all employee welfare and pension benefit plans except those administered by a governmental instrumentality. Any proposal to exempt employer-administered plans, or so-called level-of-benefits plans or fixed-benefit plans, would limit the bill's protection to only about 10 percent of the beneficiaries involved.

Let us make it clear that the proposal to exempt level-of-benefits or fixed-benefit plans is virtually the same as a proposal to exempt employer-managed plans. That is what the proposal is.

But in the interest of greater administrative simplicity, plans covering fewer than 100 workers are accorded a 2-year moratorium on reporting. And the Secretary of Labor is given authority to exempt from the registration as well as the reporting requirements any categories of plans covering less than 100 employees where compliance would be unduly burdensome to the plans or to the Department.

Insurance company data cited in the Labor Committee's report suggest that if fully exercised, this exemption authority might relieve nearly 64 percent of the plans of some of the act's requirements, but leave plans covering 94 percent of the beneficiaries still subject to the act's protections. In other words, it would get rid of two-thirds of the paperwork, but exempt from protection only 6 percent of the employees.

#### REGISTRATION

The registration requirements are relatively simple, providing the information needed to identify and classify the plan generally and those responsible for its management.

#### REPORTING

The reporting requirements are full and specific. They aim to provide in respect to each type of plan all the essential financial data about that plan—size, managers, trustees, contributions, benefits, premiums, claims, commissions, fees, summary investment information—not detailed investment information—that is, investments classified by types of investment, rather than by specific companies; detailed data relating to heavy investments in one company or to securities of any size in or loans to the employer or other parties in interest, actuarial information, and so forth. Let me repeat again: S. 2888 does not regulate these important matters, but by sub-

jecting them to reporting and disclosure, it moves a long way to keep them honest and above reproach.

#### DISCLOSURE

Now a word about disclosure. The Secretary of Labor is directed to make the registrations and reports available for examination in the public documents room of his Department. Managers of the plan shall do likewise at their principal office for any participant or beneficiary and shall provide summary information to each participant or beneficiary requesting it.

In this connection, I think the press can do much to aid enforcement, so as to make this provision worth while. The press is Argus-eyed.

Some reporters have rendered valiant service in unearthing abuses of pension funds. I should like to mention Mr. Clark Mollenhoff of the Cowles newspapers, including the Des Moines Register-Tribune, who has taken the lead in exposing some of the abuses which have occurred, and whose articles paved the way for some of the investigations.

Registrations and reports would be available for examination by the press. This would be a mighty deterrent to improper action.

I personally would prefer that this provision be broadened, not merely to require that summary information be given to each beneficiary or participant who requests it, but to require such summary disclosure to all beneficiaries, so that those most interested in protecting their stake against mismanagement would not run the risk of economic reprisals or intimidation by the mere act of requesting data.

That was the provision which was in the original bill that I drafted, but it was eliminated by the committee. I wish that it might be restored, because there are certain cases in which a person will be afraid to ask for information, lest it expose him to reprisals by the managers of the fund.

The very heart of this measure is in its reporting and disclosure requirements. As I have said before, these do not set up regulatory standards. They do not specify allowable levels of commissions, or premiums, or retentions. They do not regulate investment policies. As I said at the hearings, the bill seeks just the facts. Making these available to beneficiaries and the public—including the press—however, is calculated to cause the managers of all these plans, the insurance companies, the bank trustees, the brokers, and all others who touch these funds, to be more careful and honest. It will hurt only those who have something to hide.

#### ADVISORY COUNCIL

An advisory council drawn from the various interested groups and from the public is established to assist the Secretary. The value of this aid in such new legislation is obvious.

#### STUDIES OF STANDARDS

The Secretary is authorized to make studies and send recommendations to Congress concerning the establishment of standards of conduct in matters relating to welfare and pension plans and

the advisability of power in the Secretary to file suits for misconduct.

#### ENFORCEMENT

The Secretary is also given definite power to investigate possible violations of the act and to bring suit to enjoin such violations.

Furthermore, the bill provides criminal penalties for violations of the act's provisions, for false entries or statements, and for embezzlement from employee welfare or pension benefit plans. It would also penalize kickbacks and other methods of bribery, including both recipient and giver.

In view of the court's decision in the Distillery and Wine Workers case in New York, to which reference was made earlier today, it is clear that many of these improper acts are not now reached by State statutes, and that a Federal statute is needed to give adequate protection.

The bill thus includes enforcement provisions with some teeth in them, for securing compliance with its moderate and reasonable basic requirements.

The 4-year terminal date set in the bill is a frank recognition that the proposed legislation is new and may prove to be either too little or too much. Congress will thus be required to determine the future of reporting and disclosure after reviewing the experience with the act for a period of 4 years.

#### COOPERATION WITH STATES

The bill also requires cooperation by the Secretary with State and other Federal agencies to avoid multiplicity and unnecessary duplication of reporting. An important benefit to multistate plans is the provision in effect preempting the disclosure laws of States other than those of the home offices of the plans, by permitting copies of the Federal registrations and reports to be filed instead where the State-required information is included in the Federal documents.

Now that six States have already passed laws with varying requirements for welfare and pension plan reports, the value of this provision is rapidly becoming apparent.

#### ADMINISTRATION

While our 1956 report originally recommended administration by the Securities and Exchange Commission, the recommendation of the Senate Labor Committee and of the executive departments that it be lodged in the Department of Labor seems entirely practicable. That Department has other closely related responsibilities, and the SEC has informed the committee that they felt these duties would not be so well allocated to them.

From this brief review, it is clear that the proposed legislation is moderate in its objectives, but comprehensive in its coverage and effective in its procedures to dig out the facts and expose them to public view.

#### V. OBJECTIONS CONSIDERED

What about the objections? The most serious objection which is urged against S. 2888 is that its coverage is too broad. The Senator from Colorado [Mr.



ALLOTT], whose services on the committee on which I served were most valuable, has recommended instead that so-called level of benefits, or fixed-benefit plans be exempted from this measure. This, as I have said, is equivalent to providing that employer-administered plans be exempted from the measure.

While the available data do not accurately reveal just what proportion of the plans should be thus defined, it is generally considered that most employer administered plans are of this type. Senator ALLOTT and the committee have apparently concluded that this exemption would exclude from the bill's requirements the great majority of the existing plans, ones which cover about 90 percent of all the beneficiaries. Employers, whose unilaterally-administered plans would thus be largely exempted, have generally joined in enthusiastically to support this limitation.

Whether the percentage figure is slightly higher or lower than 90 percent, it is admitted that the proposed exemption would narrow the bill's protections to a small fraction of all the beneficiaries.

In support of this crippling amendment, it is argued that no abuses were disclosed in cases of level-of-benefits plans, only in union or jointly administered fixed-cost plans; that abuses will not occur in level-of-benefits plans because the employer would have no incentive to steal or waste the moneys; that even if losses do occur in such plans, the beneficiaries suffer no injury; and that the costs of administering a comprehensive disclosure bill will be prohibitive, the figure of \$100 million being mentioned.

I believe none of these objections to broad coverage is sound.

#### 1. ABUSES AND DANGERS WERE EXPOSED IN RELATION TO EMPLOYER-ADMINISTERED, LEVEL-OF-BENEFITS PLANS

It is true, as I have said, that our 1954-56 investigation was primarily centered on jointly-administered funds under the Taft-Hartley law, which were fixed-cost plans. Only near the conclusion did we examine two level-of-benefits or fixed-benefits plans closely. But in 1 of the 2, as I have said earlier, we uncovered a very questionable management decision to allocate reserve funds built up out of the contributions of both hourly and salaried workers to the newly divided insurance plan for the salaried workers alone. In that case, I may say, the subsequent dividends went to the employer in question, even though the contributed funds had been jointly paid.

Furthermore, in connection with several of the cases of gross abuses—excessive commissions, kickbacks, bogus service fees, and bonuses—revealed on the part of insurance companies and their agents, employer-administered, level-of-benefits plans were involved to our certain knowledge, as our report states.

Again, in connection with the summary data on excessive retentions and questionable investment policies, while the data was not broken down or classified on this basis, it is almost certain that level-of-benefits plans or fixed-ben-

efit plans which form the vast majority were involved.

President Meany cited additional instances of abuses in level-of-benefits plans in his testimony before the committee last year. The employees were charged exorbitant rates in one case, and an estimated \$600,000 above the cost of the insurance was collected from them by the employer. That is shown on page 195 of the hearings.

In another case, he reported, the employer withheld sums collected from employees, and failed to transmit some \$64,500 to the insurance company. The employer went into bankruptcy, and his defaults thus deprived 15 employees who had reached retirement age of the benefits they would otherwise have been entitled to and many welfare plan beneficiaries did not receive the benefits they were rightly entitled to if the funds had been paid to the insurance company and the policy had not lapsed.

In this connection I may say that the Treasury Department has stated to the Finance Committee—of which I am now a member—that approximately \$300 million of contributions and moneys that should be turned over by employers to the social security fund have not been transmitted by the employers to the Government. Mr. President, can you imagine what the newspapers would have done if the unions had withheld \$300 million which should have gone to the Treasury?

I wish to pay tribute to the Senator from Delaware [Mr. WILLIAMS], who has joined me in the effort to obtain better enforcement of this provision. But the facts are that the last report shows that approximately \$300 million has been withheld by employers, much of it from deductions made by employers from the workers' pay, and has not been transmitted by the employers to the Treasury, for inclusion in the social-security fund.

My attention has been called to another case—*H. S. D. Co. v. Kavanaugh* (88 Fed. Supp. 64, 191 F. (2d), 831)—where the officials of a company had their pension plans qualified by the Internal Revenue Bureau as a package, yet placed all the good investments in the executives' plan, and left the employees' plan practically bare.

The record, therefore, does not support the claim that no abuses have been shown in the case of management-administered, level-of-benefits plans, and that such abuses could not possibly arise in these plans.

#### 2. ALLEGED EMPLOYER "INCENTIVE NOT TO MISUSE" IS NO GUARANTY AGAINST LOSSES

The structure of most level-of-benefits plans or fixed-benefit plans may make it easier to conceal abuses, since only one party administers the plan; and this is another reason why more abuses have not come to light.

But the structure of these plans does not, as the Senator from Colorado [Mr. ALLOTT] argues, make abuse impossible because the employer has a money incentive to use the money honestly and economically, for otherwise it would be the same as stealing or wasting his own money. This argument grows out of the practice, under these plans, for the em-

ployer to pay whatever amount above the employee contributions that proves to be necessary in order to maintain the agreed or proffered level of benefits.

In the cases cited by President Meany, however, it was obviously considered to the employer's advantage to overcharge the employees, in one case; and, in the other case, to withhold sums collected from employees, and not send them to the insurance company.

So many different situations can, and do, arise, where moneys are accumulated for future purposes, that we cannot simply assume, as the Senator from Colorado does, that it will never be to the employer's advantage to misuse these funds or to abuse his trust. Investment in the employer's own securities of the moneys collected for pension purposes is another obvious case where the needs of the business may overshadow considerations of prudence in the handling of pension funds.

Even in situations where it is not to the employer's advantage to misuse the funds, however, it may be to the advantage of some individual who deals with the funds, or with the insurance company or its broker, or with the bank trustee, on behalf of the employer.

The incentive of the employer not to cheat himself, no more binds all of his officials and agents than the incentive of the union not to shortchange its members binds every union official or agent.

Nothing in the record of business supports the naive assumption that, because something is for the best interests of an employer company, every financial officer will do it. I believe in the innate honesty of most corporate officials and union leaders. But I cannot accept the bland assumption that all employer officials are above temptation, and never will stoop to personal enrichment or dishonest misappropriation. On the contrary, what general evidence we have suggests that these persons are subject to human frailties quite as much as others are.

In the November 1957 issue of *Fortune*, there appeared an article entitled "Embezzlers, the Trusted Thieves." Its subtitle stated, "Respected employees who steal from the boss net more each year than all the Nation's professional criminals. Yet management hates to admit it can happen here, finds it hard to spot these men of secrecy and ingenuity."

The article states:

Last year alone, at least \$500 million in money and property was stolen by dishonest employees. A few experts claim this figure is much too low, and that \$1 billion is a better guess at the annual embezzlement loss. And one expert suggests that \$3 billion is the real total.

A New York Times editorial last fall—on November 3, 1957—stated:

It has been estimated that as much as \$5 billion was involved last year in white-collar kickbacks, payoffs, gratuities and bribes.

Mr. President, I still believe that most corporate and union officials are honest. I wish to make that clear. I believe that most level-of-benefits plans or fixed-benefit plans are honestly run. But I

find no justification for Congress to legislate on the basis that the laws of human nature have been repealed in the case of every level-of-benefits plan. And since the companies and the individuals who run these plans are not supermen, but are subject to the same temptations that assail others, we have no reason to exclude the former from this law.

As I said earlier, the proposed disclosure law will not be a sure cure for all these ills; but it will be a powerful deterrent, as useful in connection with level-of-benefits plans as it will be in connection with others.

### 3. BENEFICIARIES MAY BE HURT, AND OTHERS ALSO

But, in his argument, the Senator from Colorado retreats to the position that even if such abuses or diversions of funds should occur, there would be no loss to the beneficiaries.

The case of the bankrupt company, cited by Mr. Meany, is a direct refutation of that argument. Fifteen persons, who otherwise would have been entitled to retirement pensions, were deprived of them by the withholding of their funds from the insurance company. Beneficiaries of the welfare features were also hurt.

It is also obvious that if wasteful or dishonest or even just imprudent practices by the company, its trustee, or its insurer, add substantially to the company's costs, the chances are that future employee contributions will be increased or benefits will be reduced. In either case, there will be a loss to the beneficiaries.

Even if the beneficiaries are scrupulously guarded against loss from abuses or diversions of funds or improper insurance practices in connection with level-of-benefits plans, the company's stockholders or owners are hurt.

The Government sustains a tax loss if inflated, larger costs are claimed as a deduction from taxable income.

And a dishonest pattern of conduct in collusion with an insurance carrier or broker may tend to infect that carrier's or broker's handling of other, covered welfare and pension plans.

Embezzlement or other unjust enrichment of individuals, favoritism in handling contracts, exorbitant commissions, kickbacks, high retentions, and so forth, are not justifiable simply because an employer in some rare cases may be sufficiently well fixed so as not to reduce the benefits agreed upon.

Congress, in my opinion, should not ignore the dangers either to beneficiaries or to the other interests I have listed.

It seems to be the argument of the Senator from Colorado that it is enough for the beneficiaries' security that they have the contractual obligation of the employer to pay a certain level of benefits. But all noncollectively bargained plans are terminable at the employer's option, and in collectively bargained plans the contractual obligation in almost all cases is an explicitly limited one, frequently just an obligation to keep up premium payments to the insurer for a short period of time.

This point is dealt with on pages 12 to 15 of the committee report.

It is a poor consolation to tell the beneficiary, as the Senator from Colorado does, that he can sue the employer for damages if things go wrong.

The very purpose of disclosure legislation is to prevent, as much as possible, such abuses and defaults. And the beneficiaries in level of benefits, or, as I prefer to call them, fixed-benefit plans, who make up 90 percent of all the beneficiaries, are as much entitled to the protections of reporting and disclosure concerning the uses of those funds as are the beneficiaries under fixed-cost plans. There is no reason why the sometimes fluctuating and uncertain employer obligations under level-of-benefit plans should give such companies a right to concealment.

Under a great many of these level-of-benefit plans, as under others, the employees make contributions. Congress, in my opinion, should give these directly contributed employee funds, and the funds added by the employer under whatever type of plan—which are a form of compensation to the employees—the protection which will more definitely assure that they are honestly and efficiently devoted to the worthy purposes for which they are set aside.

### 4. PROBABLE ADMINISTRATIVE COSTS ARE REASONABLE

On the question of probable costs of administering the provisions of S. 2838, the estimates of the Senator from Colorado seem to me quite unrealistic and speculative. He seems to assume that this is a regulatory measure which it is not.

The estimates of the Secretary of Labor, who is a member of the same party as the Senator from Colorado, running from \$1,660,000 for the first year, down to \$1,280,000 annually thereafter, are more carefully worked out and seem to me entitled to much greater weight. In my opinion, these sums, or even double their amounts, would be moneys well spent to protect the interests at stake in this measure.

The cost of administration would, of course, be reduced if the bill were amended to limit its coverage, as the Senator from Colorado proposes. The only trouble with this argument is that the effectiveness of the bill would also be reduced—practically to nothing.

### CONCLUSION

For all the foregoing reasons, the attempt to cut 90 percent of the beneficiaries out of the protections of S. 2838 seems to me without merit, and I hope it will be defeated.

The measure as reported by the Labor Committee offers a moderate, reasonable approach, by means of reporting and disclosure, to the grave abuses uncovered in our investigation. I am glad the administration is supporting it, I hope the supporters of the administration will support it, and I hope that the Senate will pass this measure and send it on to the House for the careful consideration of that body.

It would be unfortunate if this carefully prepared measure should be either crippled by exemptions or encumbered with numerous labor measures which

have not had the careful consideration given this welfare and pension plan disclosure bill.

Let us let the light of day shine in on the operations of this great private security system of welfare and pension plans and erect the protections for the personal interests of 84 million beneficiaries and for the public interests which are here at stake.

I yield the floor.

Mr. KNOWLAND. Mr. President, first of all, I ask unanimous consent to have printed in the body of the RECORD the message of the President which came to the Congress on January 23, relative to the administration's recommendations with reference to certain proposed labor legislation. I think it is appropriate as a reminder to the Senate that some 3 months ago the administration had recommended broader legislation, including, however, the subject matter of the limited bill reported by the Committee on Labor and Public Welfare.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

### To the Congress of the United States:

There are submitted herewith for the consideration of the Congress, recommendations for amendments to the Taft-Hartley Act and for additional legislation to provide greater protections for the rights of individual workers, the public, and management and unions, in labor-management relations.

### I

No labor-management relations legislative program today can ignore the disclosures of corruption, racketeering and abuse of trust and power in the labor-management field. Many of these disclosures have been made in Congressional hearings and in investigations by grand juries and local law enforcement agencies. In the various States vigilant attention by law enforcement officials, and public interest in the effective enforcement of existing laws against criminal activity, are doing much to eliminate many of the evils and abuses which have occurred. Union officials—most of whom are decent, honest Americans—are also doing much to eliminate the few in the ranks of organized labor who are corrupt. However, the importance to American workers and to the public of preventing the impairment of the individual rights of employees and the fact that voluntary action is inadequate in this respect have become increasingly evident. In order to protect the basic rights of the individual worker and to maintain the integrity of trade unionism itself, action on the part of the Government is needed.

The American public is in need of reassurance:

1. That the funds which are set aside for the benefit of working men and women in health, welfare and pension plans are accounted for.

2. That the moneys which are contributed by workers to union treasuries are being used solely to advance their welfare.

3. That organizations in which working people associate together voluntarily to improve their status through collective action will be administered in such fashion as to reflect their will.

4. That working people are more fully protected from dealings between representatives of labor and management which have the effect of preventing the full exercise of their rights to organize and bargain collectively.

5. That the public is protected against unfair labor and management practices



within the collective bargaining relationship which give rise to the exercise of coercive power by one as against the other tending to impede the peaceful development of that relationship, or which infringe the legitimate rights of innocent third parties.

The Secretary of Labor has recommended to me a comprehensive program of legislation which, if enacted, will, I believe, give that reassurance to the American public. His recommendations constitute the program of this administration in the labor-management field, and the administration urges the Congress to enact legislation:

1. To require the registration and detailed annual reporting to the Department of Labor, with appropriate disclosure, of all plans which provide health, welfare, or pension benefits to working men and women, whether administered by employers, by unions, or jointly by both. The administration made specific legislative recommendations in this respect in 1956 and 1957.

2. To require:

(a) That all labor organizations, having members employed in industries affecting commerce or which receive benefits of tax exemption under the Internal Revenue Code, including regional and local conferences and councils, shall:

(1) File with the Department of Labor detailed annual financial reports, which shall be available for public examination.

(2) Maintain proper financial books and records open to the scrutiny of all of their members.

(b) That officers of such labor organizations who handle union funds be held to the highest degree of responsibility for the funds committed to their care by union members; and that the members of such organizations be given an unequivocal right to sue in Federal or State courts to enforce these responsibilities. This would not supersede existing State statutes or judicial remedies.

3. To require that all labor organizations:

(a) File annually with the Department of Labor detailed information as to their constitutions, bylaws, and organizational structure and procedures.

(b) Show by appropriate reporting that their members have the right and opportunity to elect and have elected at intervals of not more than 4 years, their local officers directly by secret ballot, and their national officers either directly by secret ballot, or through delegate bodies elected directly by the membership by secret ballot, with due notice of any election being given to the members. The Department of Labor would be authorized to make full public disclosure of these reports.

4. To require:

(a) That all employers report to the Department of Labor all financial dealings with labor organizations or their representatives either directly or through a third party, but exempting those employer payments specifically authorized by law or reported under other requirements of law; to require that all labor organizations and representatives of labor organizations report to the Department of Labor all such financial dealings with employers either directly or through a third party; and to authorize the Department of Labor to make full public disclosure of these reports.

(b) To prohibit by the application of appropriate civil and criminal laws financial dealings between employers and labor unions which operate to impair the rights of working people to organize, to select their bargaining representative or effectively to bargain collectively; specifically to amend the Taft-Hartley Act to prohibit payments made to employee representatives by employer agents or representatives, as well as those made directly by employers, except as authorized by law; to cover employer payments

to an employee representative other than a representative of his employees; to prohibit payments over and above payments for regular job duties made by an employer, his agent or representative to an employee or group or committee of employees to influence other employees in the exercise of their right of self-organization or the selection of a bargaining representative; and to make it clear that employer payments to trust funds for apprenticeship and training purposes are not prohibited.

5. For effective administration of this program of reporting and disclosure of general union funds, conflicts of interest, union organization and structure and also the program for reporting and disclosure of welfare and pension plans, the administration recommends that there be created in the Department of Labor a Commissioner of Labor Reports who would be responsible to the Secretary for the performance of duties under the new legislation. The Commissioner should be appointed by the President with the advice and consent of the Senate. In the administration of these reporting requirements, the Commissioner of Labor Reports would be empowered through authority derived from the Secretary of Labor to:

(a) Make full public disclosure of all information contained in the reports;

(b) Seek injunctions against violations;

(c) Investigate reports of violations of the reporting requirements, including the accuracy of reports filed, and charges that union election or procedural practices are not in accordance with the reporting requirements; and

(d) Issue subpoenas for the production of all appropriate books and records and compel testimony by witnesses.

6. In order to insure the effective enforcement of this program, the administration recommends that the following criminal and administrative sanctions be enacted into law.

(a) Criminal:

(1) The embezzlement of general union funds, false statements or entries, or willful destruction of books should be made punishable as a felony.

(2) The Criminal Code provisions relating to filing of false information should be made specifically applicable to these reports.

(3) The failure of an employer or a union to file required reports should be made a misdemeanor.

(4) A new bribery section should be added to the Criminal Code making it a felony for an employer, or his agent or representative, or any union official or representative, to make or receive any payments to influence improperly the actions of the other in labor-management matters. To facilitate prosecutions of violations of this section there should be included a provision for immunity to witnesses.

(b) Administrative:

At the present time any labor organization covered by the National Labor Relations Act is denied access to its processes if it fails to file financial and organizational reports. This should be continued. In addition, subject to the requirements of the Administrative Procedures Act, including judicial review, for the willful failure to file true and proper reports the administration recommends that—

(1) All labor organizations and employers be denied all rights or privileges available to them under Federal labor-management relations laws;

(2) All labor organizations be liable to revocation of any outstanding certification as bargaining representative under any law of the United States;

(3) All labor organizations be liable to the forfeiture for an appropriate period of tax exemptions available to them under the Internal Revenue Code.

7. Certain provisions of the National Labor Relations Act afford opportunity for labor

or management to coerce the other, often with detrimental effect on individual employees, innocent third parties and the general public. The administration recommends that the ambiguities and inequities that exist in these provisions be removed by amending them as follows:

(a) Amend the secondary boycott provisions of the act to make it clear that they prevent:

Direct coercion of an employer to cease doing business with another;

Coercion of employers by inducement or encouragement of individual employees to refuse to perform services;

Coercion of secondary employers who do not come within the act's definition of "employer"; and

Coercion of employers to enter into or to enforce agreements to cease using the products of, or to cease doing business with, another person.

To further amend the secondary boycott provisions to make it clear that they do not prevent:

Activity against a secondary employer who is performing "farmed out" work in behalf of a struck employer; or

Activity against secondary employers engaged in work on a construction project with the primary employer.

(b) Amend the act to make it an unfair labor practice for a union, by picketing, to coerce an employer to recognize it as the bargaining representative of his employees or his employees to accept or designate it as their representative where:

The employer has recognized in accordance with law another labor organization;

The employees, within the last preceding 12 months, have rejected the union in a representative election; or

It is otherwise clear that the employees do not desire the union as their bargaining representative.

(c) Amend the act to eliminate the statutory prohibition which bars economic strikers who are not entitled to reinstatement from voting in representation elections.

## II

In addition to the above the administration recommends that several other changes be made in the Labor-Management Relations Act of 1947. Some of these changes have been proposed before, some are new, but all are intended to strengthen and improve the act where experience has shown that correction is needed. These proposals are as follows:

1. Amend the act to eliminate the jurisdictional gap referred to in recent Supreme Court decisions by authorizing the States to act with respect to matters over which the National Labor Relations Board declines to assert jurisdiction.

2. Amend the act to authorize the Board, under appropriate circumstances, to certify as bargaining representatives, without a prior election, unions acting in behalf of employees primarily engaged in the building and construction industry.

3. In view of the enactment of the Communist Control Act of 1954, amend the act to eliminate the provision requiring the filing of non-Communist affidavits by officers of unions seeking to use the act's processes.

4. Amend the act so that parties to a valid collective-bargaining agreement may not be required to negotiate during the life of the agreement unless it provides for reopening or the parties mutually agree to its being reopened.

5. Amend the act to make it clear that when the office of the General Counsel becomes vacant the President may designate some other officer or employee to serve as acting general counsel during the vacancy.

These legislative recommendations are designed to benefit and protect the welfare of American workers and the general public, to curb abuses, and to provide greater harmony and stability in labor-management relations.

They take into consideration the fundamental principle that an effective right to organize and bargain collectively is an essential part of this Nation's free and democratic society.

I urge that the Congress give speedy consideration to these proposals.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, January 23, 1958.

Mr. KNOWLAND. Mr. President, in carrying out the proposal of the administration bill, the distinguished senior Senator from New Jersey [Mr. SMITH] introduced a measure, known as Senate bill 3097, dealing with this subject matter, which has been pending before the Committee on Labor and Public Welfare for several months.

Mr. President, on January 23, I also introduced certain proposed legislation dealing with some of the broader aspects of protecting the rights and protecting the interests of rank and file members of organized labor, and at that time I made a brief statement in the Senate relative to that proposed legislation. I ask unanimous consent that it be printed in the body of the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT MADE BY SENATOR WILLIAM F. KNOWLAND IN THE SENATE, JANUARY 23, 1958

I submit for reference to the Senate Committee on Labor and Public Welfare legislation to correct widespread abuses that have developed in the operation and management of union affairs. If approved by the Congress, this new legislation will represent a bill of rights for our working men and women who at present are or who may become members of the Nation's unions.

In the last 20 years, membership in the Nation's unions has increased from 3 million to over 17 million members. Not counting the vast sums of money already available to officials of these unions, it is conservatively estimated that annual sums of dues, fees, and assessments paid by our union members amount to over \$600 million each year.

In my judgment, the Nation's working people who contribute part of their monthly salaries to support the activities of their unions are entitled to effectively control the management of its affairs.

The American way of life, with its foundations fixed on maintaining and protecting human dignity and the aspirations of free men in a free society, has always demanded that with power must rest responsibility.

During the past year, the extensive series of hearings in the Congress have forcefully demonstrated that the powers of a considerable number of union officers are being misused.

Thousands of letters from union members have poured into the offices of Senators and into the Senate committees alleging abuses, misfeasance, and acts of violence on the part of certain local, regional or national union officers.

This does not and should not constitute an indictment against all labor officials. Many of these officials, past and present, have labored unceasingly in the best interests of their fellow working men.

In the past four months, I have traveled the breadth and length of California many times and have discussed these problems personally with many members of various unions.

If I can summarize their comments in a phrase, they requested that Congress give them assistance in obtaining democratic control over the management and operation

of local, regional and national unions or the rank and file of the membership.

The legislation I have just introduced is submitted for that purpose.

Every specific provision in this legislation has been drafted to provide the members of our unions adequate representation in the conduct of their own union affairs.

Any public official who attempts to work constructively in this field faces the hostility of certain union officials who do not want their vested positions of power disturbed. I have already had my views on the need for this bill of rights for union members substantially distorted.

However, I am willing to assume this risk.

I want to state for the public record my firm judgment that unions have played in the past and will play in the future an important role in the strengthening of our national economy. I am hopeful that unions will continue to grow in membership and importance, but further that they also grow in responsibility as well.

I believe that this legislation to provide a bill of rights for workers will receive, now or in the not too distant future, the favorable consideration of the Congress. I would sincerely request that all interested persons read carefully the provisions of this bill.

Mr. KNOWLAND. Mr. President, along with the statement, as I pointed out, I introduced proposed legislation, and I ask unanimous consent at this time to have printed a summary of the bill which was introduced at that time. The bill was Senate bill 3068.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF LEGISLATION PROPOSING A BILL OF RIGHTS FOR UNION MEMBERS (AMENDMENTS TO THE LABOR-MANAGEMENT RELATIONS ACT OF 1947) INTRODUCED IN SENATE BY SENATOR WILLIAM F. KNOWLAND ON THURSDAY, JANUARY 23, 1958

Section 401, definitions: Labor organization, union official, employee-welfare plan.

Section 402: Provides for election of union officials within 4-year periods by popular vote of the membership through secret ballot; confers jurisdiction on National Labor Relations Board to consider individual petitions that union officials have been illegally elected.

Section 403: Confers jurisdiction on National Labor Relations Board to conduct elections by secret ballot on the question of recalling union officials previously elected; petitions directing the Board to act must be signed by a minimum of 15 percent of the union members; limits number of such elections which can be conducted during a single-year period.

Section 404: Provides for National Labor Relations Board to conduct secret election upon request of a petition signed by minimum of 15 percent of labor-union members on following subjects:

(1) Amendment, modification or repealing provisions of union constitution or union rules or regulations.

(2) Amendment, modification or vetoing decisions of union officials on questions of dues, initiation fees, assessments, union salaries, fines, suspensions, expulsions, union benefits, support of nonunion activities, etc.

(3) Prohibits National Labor Relations Board elections under this section on matters involved in collective bargaining negotiations or on subjects permitted by union constitution, by-laws, or other union governing rules or regulations.

(4) Limits number of elections permitted to be conducted under this section.

Section 405: Provides for referendum by National Labor Relations Board where petitioned by minimum of 15 percent of employees in the labor unit involved on ques-

tion of calling or continuing of strikes; also requires that notification of strike be filed with 30-day notice to National Labor Relations Board, employer and union members; provides limit to number of referendums that can be requested; removes protection of NLRB from employee who participates in strike after majority vote against strike under this section.

Section 406: Provides that petition under sections 402-3-4 may only be filed by union members or an individual organization specifically acting on their behalf; prohibits employers of such employees or organization affiliated with such employers from filing petitions under these sections; permits the NLRB to delegate supervision of elections provided in sections 403-4-5 to qualified public or private agencies or organizations.

Section 407: Specifies restrictions on establishment of trusteeship over local union affairs by national or international unions; establishes 1-year limitation for continuation of trusteeship and provides that union funds under trusteeships must be utilized exclusively for the benefit of the local union and its membership; authorizes trustees to conduct elections, where applicable, for new union officials; permits union member to institute legal action on behalf of local union to compel compliance with provisions of this section.

Section 408: Establishes NLRB protection for union members who, through disciplinary action of union officials, have been deprived of their right to vote in union elections.

Section 409: Prohibits division or allocation of territory for representation purposes by two or more unions. Section protects right of union member to participate in union organization of his own choosing.

Section 410: Prohibits collective bargaining agreements for a period in excess of 2 years unless approved by majority vote of union membership; prohibits provisions in collective bargaining agreements waiving union members' rights to strike unless provisions have been approved by secret ballot vote.

Section 411: Provides new system of registration of employee welfare plans with the Securities and Exchange Commission; requires employee welfare plans under management and union jurisdiction to be registered; authorizes certification of the accuracy of information on welfare plans submitted; provides Federal court jurisdiction to require compliance with this section.

Section 412: Sanctions and penalties for noncompliance with provisions of the law; provides both civil and criminal penalties.

AMENDMENTS TO EXISTING PROVISIONS OF NATIONAL LABOR RELATIONS ACT

Section 2: Establishes additional unfair labor practice where provisions of section 405 relating to notification of strike or referendum on strike are violated; directs that representation elections may be held during period covered by collective bargaining agreement but provides that terms and conditions of collective bargaining agreement continue without regard to results of such elections; permits representation elections where labor organization is determined under section 412 (a) that it is no longer eligible to represent employees; provides that Secretary of Labor shall make information, required to be filed by labor organizations to obtain certification, available to the public.

Section 3: Makes it illegal for employer representatives to transmit any money or thing of value to representatives of his employee; makes it illegal for representatives of employees to receive from employer representatives any money or thing of value.

Mr. KNOWLAND. On February 25, 1958, I addressed a communication to Hon. LISTER HILL, chairman of the Committee on Labor and Public Welfare, pointing out that I had introduced Sen-



ate bill 3068, and asking for an early hearing on the bill which I had proposed, dealing with the subject matter under discussion today.

I might add, parenthetically, that to date I have not had a hearing on the proposed legislation.

I ask unanimous consent to have my letter printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 25, 1958.

HON. LISTER HILL,  
Chairman, Committee on Labor and  
Public Welfare, United States Sen-  
ate, Washington, D. C.

DEAR MR. CHAIRMAN: On January 23, 1958, I introduced S. 3068 which is now pending before your committee. This legislation recommends a number of amendments to the Labor Management Relations Act of 1947, as amended, and has as its objective the strengthening of the democratic processes in the activities of our Nation's unions. I am enclosing a copy and a summary of the legislation and the text of the remarks I made when the bill was introduced.

I believe the Senate is anxious to have an opportunity to consider this and other similar legislation now pending in your committee. I would appreciate your advising me as to the possibility of early hearings on the bill.

With best regards I remain  
Sincerely yours,

WILLIAM F. KNOWLAND.

Mr. KNOWLAND. Mr. President, I also ask unanimous consent to have printed at this time as a part of my remarks a statement relative to certain public minded citizens and organizations whose support of organized labor is publicly recognized, who have recently expressed themselves on the subject of democratic reform in union organizations. They include the American Civil Liberties Union; Mr. Clark Kerr, who is at the present time a member of the United Auto Workers Review Board; Mr. Clyde Summers, a labor expert and a professor of law at Yale University; and Mr. J. B. S. Hardman, former editor of Labor and Nation, as well as the CIO Advance; showing that persons who are recognized as friendly to the cause of labor realize there is a need for broader legislation in the field of protecting the rights of labor members.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Public-minded citizens and organizations, whose support for organized labor is publicly recognized, have recently expressed themselves on the subject of democratic reform in union organizations.

The American Civil Liberties Union, which states it has been urging the organized labor movement for 15 years to adopt improved internal practice of civil liberties, last month recommended a labor union bill of rights. The areas covered by their proposal are in substantial agreement to those covered in the legislation I have just outlined. You certainly do not consider the American Civil Liberties Union as antiunion.

Clark Kerr has recently authored a report for the Fund for the Republic on unions and union leaders of their own choosing. Mr. Kerr comments:

"The title of this paper suggests that national policy might move from the 'unions of their own choosing' of the 1930's to 'union leaders of their own choosing' and even, to

a degree, to 'union rules of their own choosing.' But how is this to be accomplished? Action by the unions themselves would be most desirable and there has been a surprising amount of it during the past year. Experience here and abroad, however, suggests it will not be sufficient, that behind the good intentions of most union leaders will need to stand the power of the law, as in the case of corporations in the past.

"This is a troublesome issue. The pluralist will defend the private association from the control of the State. The individual, however, also needs defense against being controlled by the private government of the trade union, and ultimately this defense can be guaranteed only by the State."

Does anyone accuse Mr. Kerr, who is a member of the United Auto Workers review board, of being unfriendly to labor?

Mr. Clyde Summers, a labor expert and professor of law at Yale University, recently submitted an article for the New Leader magazine, a liberal weekly published by the American Labor Conference on International Affairs. Mr. Summers recommends a bill of rights affirmatively guaranteeing the rights of membership. He also recommends removal from union constitutions of those provisions which stifle the democratic processes. Is Mr. Summers antiunion or working against the interests of union organizations?

Mr. J. B. S. Hardman, former editor of Labor and Nation as well as the CIO Advance, has recently written:

"Unionism as a whole my well find it of advantage to itself, in the long run, to have the members' rights and leaders' responsibility bolstered by adequate legislation, carefully devised and properly administered under foolproof institutional setups."

Mr. Hardman concludes his remarks with the following:

"There still lingers in the recesses of union consciousness that ancient fear of government, of law, of the courts. That no longer fits the new state and status of the 20-million-member union movement in the democratic United States."

Mr. DOUGLAS. Mr. President, I would merely add to the comments of the Senator from California a brief further chronology on the so-called Smith bill. The Senator from California was careful not to accuse the Senate Committee on Labor and Public Welfare of dilatory tactics, but there may well be other Senators less scrupulous than he who may raise that issue tomorrow.

I think the RECORD should show that the Senate Committee on Labor and Public Welfare held hearings from the 21st of January to the 13th of March on the general question of education, and those hearings were conducted by the committee as a whole. So I hope no supporter of the Senator from California will rise tomorrow and accuse the Committee on Labor and Public Welfare of not proceeding with the Smith bill.

The truth of the matter is that the Committee on Labor and Public Welfare was working very hard on education matters, and it should not be accused even by implication of negligence or refusal to consider this issue.

Mr. KNOWLAND. I was merely citing for the RECORD the chronological facts as they exist.

Mr. DOUGLAS. Yes. I think the chronology also should be completed. The Senator from California certainly did not tell any untruth, but there are further truths which need to be added in order to get a correct impression of the whole.

Mr. KNOWLAND. Could the distinguished Senator from Illinois, who I realize is no longer a member of the Committee on Labor and Public Welfare, since I believe he has transferred to the important Committee on Finance, inasmuch as he is an author of the bill presently before us, give any indication of his own knowledge as to when the Labor and Public Welfare Committee is apt to report either the Smith bill, the Knowland bill, or any other bill dealing with the broader aspects of labor legislation?

Mr. DOUGLAS. I can only say, knowing the chairman of the committee, the other Members of the majority, and certain Members of the minority, as I do, I am certain they will give all of these measures very careful consideration and will proceed, not with deliberate speed, but with due speed and expedition.

Mr. KNOWLAND. I should appreciate it if the Senator were able to throw a little more light on the subject, but I realize he is not able to do so in his present capacity.

Mr. DOUGLAS. I merely want to have it recorded that the committee as a whole was tied up with its hearings on education matters from the 21st of January to the 13th of March, and therefore had no leeway in which to consider the bills to which the Senator from California refers. I hope those who read the RECORD tomorrow morning will not quote the statement of the Senator from California without reading the further explanation of all the true facts in the case.

The Senator from California never misstates the issue—never, never, never—but sometimes a little bit additional is needed to put matters in perspective.

#### ADJOURNMENT TO 10:30 A. M.

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 10:30 a. m. tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 22 minutes) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, April 24, 1958, at 10:30 o'clock a. m.

#### NOMINATIONS

Executive nominations received by the Senate April 23, 1958:

##### CIRCUIT COURTS, TERRITORY OF HAWAII

Frank Aloysius McKinley, of Hawaii, to be fourth judge of the first circuit, circuit courts, Territory of Hawaii, for the term of 6 years. He is now serving in this office under an appointment which expires April 28, 1958.

##### PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

##### I. FOR PERMANENT PROMOTION

##### To be medical directors

Claude D. Head, Jr.	Robert L. Griffith
Hugh L. C. Wilkerson	James A. Smith
Leon S. Saler	Kenneth M. Endicott

Samuel S. Spicer  
Jesse D. Harris  
Malcolm J. Ford  
Donald W. McNaughton  
Arnold B. Kurlander  
Stanley E. Krumbiegel  
Clarence B. Mayes  
William J. McAnnally, Jr.  
Clarence Koolker  
W. Clark Cooper  
Harold J. Magnuson  
Jack C. Haldeman  
Roderick Murray  
Arthur S. Osborne  
Thomas L. Shinnick  
Ray H. Vanderhook  
David E. Price

*To be senior surgeons*

Willie G. Simpson  
William L. Bunch, Jr.  
Gert L. Laqueur  
Robert L. Bowman  
Kirkland C. Brace  
Vaso L. Purila  
Alvin L. Cain  
Fred W. Love  
Raymond W. Herrmann  
Charles M. Gillikin  
Edward B. Lehmann

*To be surgeons*

Floyd B. Bralliar, III  
Cleve B. Vaughan, Jr.  
Clifford E. Nelson  
Donald A. Carlyle  
Stanley F. Yolles  
Paul T. Condit  
Sherman N. Kleffer  
David M. Fried  
Nicholas C. Leone  
Albert L. Steplock  
Donald W. Tharp  
Alfred S. Ketcham  
Francis T. Flood  
Karl F. Urbach  
James L. Deadwyler  
Robert Delashmutt

*To be senior assistant surgeons*

Theodore A. Labow  
Lowell H. Hansen  
Alex Rosen  
James A. Richardson, Jr.  
Donald C. Reifel  
William B. Furgerson, Jr.  
Gilbert G. Tobler  
Robert R. Fletcher  
Waldo S. Cook  
Paul A. Asper  
Robert B. McGandy  
Donald E. Poage  
George E. Miller, Jr.

*To be dental directors*

Francis J. Walters  
Vernon J. Forney  
Toyo Shimizu

*To be dental surgeon*

Harold R. Stanley, Jr.

*To be senior assistant dental surgeons*

Hugh L. Henley  
Jerry D. Niswander  
S. Henry Holton, Jr.  
Robert N. Phillips  
Keith G. Winkler  
James R. Hull  
Harvey L. Weiner  
Jackie W. Gamble  
Thomas B. Haller

*To be sanitary engineer directors*

Edmund C. Garthe  
Chris A. Hansen  
Frank Tetzlaff  
Albert H. Stevenson  
Ralph C. Palange

Charles L. Williams, Jr.  
Charles C. Shepard  
Wayne W. Carpenter  
Linden E. Johnson  
James M. Hundley  
Russell I. Pierce  
Samuel C. Ingraham II  
Donald J. Birmingham  
Morris Schaeffer  
Daniel MacKillop  
Paul V. Jollet  
George A. Shipman  
John C. Cutler  
George W. Comstock  
Carruth J. Wagner  
William C. Jenkins, Jr.

Wilfred D. David  
Ruth E. Dunham  
Holman R. Wherritt  
Ralph S. Paffenbarger  
John P. Utz  
Robert L. Price  
John M. Vogel  
Milo O. Blade  
Gerald R. Cooper  
Robert E. Greenfield, Jr.

*To be sanitary engineers*

James B. Coulter  
George W. Burke, Jr.  
Dade W. Moeller  
Richard D. Coleman  
Roy O. McCaldin

*To be senior assistant sanitary engineer*

Herbert R. Fahren

*To be assistant sanitary engineers*

John C. McMahon  
Norman J. Petersen

*To be senior pharmacist*

Robert L. Capehart

*To be pharmacists*

Edwin W. Bohrer  
Jacob Levy

*To be senior assistant pharmacists*

Gene C. Knapp  
Paul J. LeSage  
Wesley R. Gladhart, Jr.

*To be scientist directors*

Harry D. Pratt  
John A. Rowe  
Don E. Eyles  
George A. Hottle  
William J. Bowen

*To be senior scientist*

Bernard D. Brookman

*To be scientists*

Kelsey C. Milner  
Edward M. Scott  
Richard Q. Bell

*To be senior assistant scientist*

George P. Kubica

*To be senior sanitarians*

Richard F. Clapp  
Mary C. Gillis  
Leslie D. Beadle

*To be sanitarian*

James G. Murphy.

*To be senior assistant sanitarian*

Paul Blank

*To be veterinary director*

James H. Steele

*To be veterinarians*

Preston Holden  
William Kaplan

*To be senior assistant veterinarians*

Gordon D. Wallace  
Douglas M. Hawkins

*To be nurse directors*

Zella Bryant  
L. Margaret McLaughlin

*To be senior nurse officers*

Grace I. Larsen  
M. Estelle Hunt

*To be nurse officers*

Alma M. Miller  
Rose G. Ernsberger  
Ina L. Riddlehover  
Elizabeth C. Laczko  
Virginia D. Hines  
Katherine L. Tucker  
Helen Gertz  
Lucille G. Buderer  
Harriett Hick  
Edna L. Easterday  
Mary S. Romer  
Mary Y. Salmon  
Mary E. McGovern  
Patricia B. Gelser  
M. Elizabeth L. Dar-Nina A. Ramacciotti den

*To be senior assistant nurse officers*

Arthur R. Barth  
Frances R. Donoghue

*To be dietitians*

E. Grace Gibson  
Marjorie A. Emidy

*To be senior therapist*

Corinne Q. Way

*To be senior assistant therapist*

Lennes A. Talbot

## HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 23, 1958

The House met at 12 o'clock noon.

Rabbi Israel Goldstein, of Congregation B'nai Jeshurun, New York, chairman, American Committee for the Celebration of Israel's 10th Anniversary, offered the following prayer:

Lord, Creator, Shepherd, Father, if a thousand years are but as yesterday in Thy sight, 10 years are but as a moment. Yet there are great moments in the human drama which attest to the divine spark in man and to Thy finger in history. Such was the fashioning of these United States of America into a new society of human freedom and dignity. Such too has been the restoration and rededication of an ancient people to nationhood upon its ancient soil thrice hallowed by religious inspiration.

It was meet that our beloved America, reared in the spiritual heritage of ancient Israel's timeless book, helped the modern State of Israel come into being, and strengthened it during its infant years. And little Israel has given as well as received. It has given an example of how to reclaim the soil and how to redeem human beings, of how to provide homes for the homeless, and boons of freedom and dignity for the underprivileged. It has shown how to overcome fear with faith at a time when the world is filled with apprehensions. And its hand of fellowship and peace is extended. "Shalom, shalom la'rachok v'lakarov," peace, peace to those that are far and to those that are near.

Grant, O God, that the bonds which make us feel a sense of spiritual kinship with Israel may grow with the years.

In the words of Israel's ancient prayer we pray today and every day: Spread Thy tabernacle of peace over the habitation of men everywhere, so that in peace and in comity men and nations may build a world worthy of Thy blessing, O Lord, Creator, Shepherd, and Father. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colorado, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 7785. An act to provide for the appointment of an additional judge for the Juvenile Court of the District of Columbia;



H. R. 7930. An act to correct certain inequities with respect to automatic step-increase anniversary dates and longevity step-increases of postal field service employees; and

H. R. 11019. An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held in Louisville, Ky., to be admitted without payment of tariff, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 488. An act for the relief of Eva S. Winder;

S. 1879. An act for the relief of Casey Jimenez;

S. 2033. An act to provide for the Board of Trustees of the Postal Savings System to consist of the Postmaster General and the Secretary of the Treasury;

S. 2127. An act to amend section 3 (d) of the Federal Employees' Group Life Insurance Act of 1954, relating to the reduction in amounts of insurance of persons over the age of 65; and

S. 3093. An act to extend for an additional period of 2 years the authority to regulate exports contained in the Export Control Act of 1949.

The message further announced that the Senator from Wisconsin [Mr. PROXMIER], is relieved from further service on the conference committee on S. 72, an act to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes, and that the Senator from Oregon [Mr. NEUBERGER], is assigned to the conference committee in his place.

#### TENTH ANNIVERSARY OF ESTABLISHMENT OF THE STATE OF ISRAEL

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 546) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the people of the United States, speaking through the President and the Congress, favored the restoration of an independent Jewish nation in Palestine; and

Whereas resolutions expressing support of this objective were adopted by the 67th and 69th Congresses; and

Whereas the dreams of centuries and generations were realized 5th of Iyar, 5708, according to the Hebrew calendar, with the establishment of the State of Israel, a state which the United States was among the first nations to recognize, representing a triumph not only to the Jewish people, but also for all men and women who believe in human freedom, justice, and individual dignity and the government of laws; and

Whereas 10 years have passed during which the institutions of free and democratic government have been firmly imprinted, and have flourished, in Israel, and the new state has become a responsible and respected state of the family of nations, thus advancing the cause of freedom and democracy; and

Whereas in the face of great economic and political difficulties the State of Israel has grown steadily in strength and stability; and

Whereas the American people, feeling a sense of satisfaction in the achievements of any people under the banner of democracy and freedom, are especially gratified by the magnificent progress registered by the people

of Israel, to whom the American people feel bound by so many ties: Therefore be it

Resolved, That the House of Representatives of the United States extends to the people of Israel the congratulations and good wishes of the House of Representatives on the occasion of this 10th anniversary of the establishment of the State of Israel, and the best wishes of the House of Representatives for continued progress and success.

Sec. 2. The Clerk of the House of Representatives is directed to transmit a copy of this resolution, through the Department of State, to the President of Israel.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this resolution at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, this year Israel celebrates a decade of existence as an independent state. The United States believed in the creation of Israel. At the United Nations we helped in its establishment. Subsequently, we have played an important part in its economic well-being. I am happy to say that the Israelis have vindicated our faith in them.

Israel's achievements in 10 short years in the face of extreme adversity could not but stir our esteem. We watched Israel welcome almost a million refugees of varying tongues and cultures, many of whom were broken in health and spirit. We watched the Israelis house and feed and guide back to health the new residents. We saw the Israelis accelerate their pace of economic development to provide work for their newcomers; factories mushroomed, the desert was made to yield sustenance, sleepy fishing villages were turned into port cities humming with millions of dollars worth of commerce. In all this feverish development, perhaps the greatest miracle of all was the renaissance of a formerly tormented people. Israel justified our expectations that it would offer a haven to the persecuted.

The magnitude of the feat performed by Israel in the last decade becomes even more notable when we recall the tragic circumstances in which the rescue and reconstruction go forward. The surrounding Arab countries, steeped in feudalism and plagued by corrupt dictators, constantly harassed the young state. As the Arabs themselves frequently declared, it is their intention to wipe Israel off the map. Israelis, instead of being free to devote full time and resources to constructive purposes, have to keep one hand on the gun.

The United States can never be indifferent to Israel's plight. We feel a deep ideological bond with Israel. We are both nations of pioneers who sought spiritual freedom, heedless of any physical hardships encountered. To America

came the oppressed of Europe; to Israel streamed the oppressed Jews of Europe, Asia, and Africa. Both nations, by assimilating a variety of races and cultures, became melting pots. The consequence, in both cases, has been a devout faith in democracy and a firm determination to defend our free institutions.

The continuing Arab-Israeli conflict is of grave concern to the United States as well as to Israel. By no stretch of the imagination could we abandon Israel to a lawless invasion as promised by irresponsible Arab leaders. Moreover, I consider Israel to be the truest ally of the United States in the Middle East.

A prolongation of the Arab-Israeli conflict also poses a serious menace to world peace. We have seen the Kremlin exploit disturbed conditions in the region for its own evil purposes. It may be assumed that the Communists will continue to take advantage of dissension in the region to threaten the legitimate interests of the West there.

As for the Arab States themselves, their real independence will come only with an end to hostilities. Peace would mean a removal of temptation for Communist maneuvers followed by Western defensive counter-moves. The present state of affairs leaves the region wide open to the very interference from outside sources so dreaded by Arab nationalists.

Benefits of peace to the region would be much more than an end to machinations. With peace, men could channel their energies to an attack on the common enemies of mankind—disease, hunger, illiteracy. With peace, the Johnston plan for the development of the Jordan valley could get under way, with all the hope it holds out for the resettlement of Arab refugees and for the rebirth of the area. Arabs, side by side with the Jews of Israel, could strive together for the progress and prosperity of the Middle East, the glowing possibilities of which Israel has so remarkably demonstrated.

It is my fervent belief that Israel-United States friendship will continue to steer a steady course through the stormy upheavals of the Middle East, and that we shall eventually be rewarded with the peace we all so ardently desire.

Mr. MARTIN. Mr. Speaker, I am happy to extend my greetings to the people of the Republic of Israel as they celebrate the 10th anniversary of the founding of their sovereign state.

I congratulate them on the wonderful progress they have made as a nation during their brief existence.

The establishment of Israel as an independent country represents a victory not only for the Jewish people but for all who believe in self-determination, human freedom, and human dignity.

During its brief lifetime as a nation, Israel has opened its doors to approximately 900,000 Jewish immigrants from displaced persons camps in Germany, Austria, Italy, countries in North Africa and the Middle East as well as other parts of the world. This fact in itself reflects the enormity of its task and its burdens. That Israel has made such progress in the face of this gigantic undertaking is justification of the faith of

those who shared in the work of establishing the country, and is proof of the magnificent spirit and the dedication of the people of Israel to its just cause.

Israel today is playing a constructive role in the family of free nations and will continue to do so. It merits the continued moral encouragement of all who share its great love for liberty and independence.

Mr. ROONEY. Mr. Speaker, I am delighted to vote for the pending resolution and extend my greetings and good wishes on the occasion of the 10th anniversary of Israel's independence. People of all faiths in our country are extending their good wishes to the State of Israel and it is fitting that tribute be paid to the extraordinary contribution which Israel has made to the cause of freedom.

In the decade which has just passed, Israel has conquered seemingly insurmountable obstacles. This young nation, in struggling for its security was forced to live in a hothbed of alien and antagonistic neighbors and philosophies and had to face the problem of survival with poor and undeveloped resources. Finally, Israel was obliged to fight for its very existence against an extermination policy reminiscent of what their European brothers had fled from only a few short years ago.

In this country we have a special and sentimental affection for Israel which no doubt stems from our historic identification with the struggle for our own independence. We hold in common the same democratic ideals and principles and possess a mutuality of purpose and affinity of interest. This young and vigorous nation is democracy's undaunted outpost in the Middle East. It is comforting to know that we have a steadfast friend in the strategic area of the Middle East.

I was in Israel in October 1955 and was profoundly impressed with the enthusiasm and spirit of the people and their industrious habits which have been instrumental in the rapid development of their nation. They have built cities and villages and have attained their maturity as a nation in a short span of time. This is all the more remarkable when it is realized that a people dispersed and landless for 20 centuries had come home to reclaim their land.

I am confident that Israel's devotion to freedom, justice, and morality will survive any future challenge to her independence. Whatever inroads communism may make into the Middle East under such tyrants as Messrs. Khrushchev and Nasser, we may be assured that Israel will continue to remain our loyal friend and communism's bitter and dedicated enemy.

Israel's success in obtaining for her people economic security and stability in the years ahead will be the foundation upon which a lasting peace can and will be brought to the people in the Middle East and should counteract Communist designs on Africa and Asia.

I feel proud to rejoice with the people of Israel on the occasion of the 10th anniversary of national independence. It is my fervent hope that this gallant nation will always enjoy peace, prosperity, and happiness. I believe that the un-

qualified support of our country for this great nation is an absolute must.

Mr. ZALENKO. Mr. Speaker, the Free World rejoices with the great State of Israel on the occasion of the 10th anniversary of its rebirth. We in America are especially grateful for the existence of this vibrant young democracy, located in a portion of the world which is and has been in a constant state of turbulence stirred up by Communist provocateurs and by fanatic Arab nationalists. Israel is a strong outpost of democracy. Ten years ago, confronted with almost insurmountable obstacles, lacking food, arms to protect itself, inadequate housing facilities and beset on all sides by misguided enemies, it nevertheless survived the pangs and suffering of its rebirth and now has become a vital part of the democratic ideal of a Free World united by brotherhood and the belief in God.

When the time comes that its neighbors realize that Israel is, and must remain, an important voice in the progress of the world, then real peace will be achieved in the Near East. I have no doubt that most of the Arab peoples know this. Some of the leaders of some of the Arab States either by reason of lust for power or instigation by Moscow seek to continue a baseless and futile effort to disrupt the peaceful existence of the millions in the Near East and throughout the rest of the world.

Last year it was my privilege to visit Israel. Throughout the length and breadth of that tiny nation there was evidence in the fields, on the hills, and in the cities of the desire of the Israelis for freedom and peace.

In the schools, the homes, the shops and on the farms these God-fearing people who are my fellow coreligionists engendered in me a source of pride. Despite the tension on the borders of Israel, the Arab minority living in Israel was thriving economically, permitted to worship in their own way, to have their children educated together with those of the Israelis, and to enjoy equal freedoms. This is true democracy.

The ties of the United States with Israel, which sprung into being under the guidance of our great ex-President, Harry S. Truman, should not only be maintained but should be strengthened for the benefit of all the people of the world.

My warmest congratulations to the Government and to the people of Israel. Shalom.

Mr. PELLY. Mr. Speaker, I desire to join with my colleagues of the House in extending cordial greetings and best wishes to the citizens of the Republic of Israel and in particular to join with her friends in Congress in offering warmest congratulations on the occasion of Israel's 10th birthday.

In marking an important national anniversary of this kind, it must be noted, of course, that the most eloquent tribute of all to the people of Israel and to their triumph over toil and turbulence will be history itself. Indeed, never in any similar period of time, nor in the face of such obstacles both natural and unnatural, have such achievements of a people been recorded. There is no such other example of individual and collective sac-

rifice and determination for community and state in all history. And it is safe to predict also that in centuries to come this glorious episode of Israel's 10 years of progress will never be equaled and forever remain a proud symbol of the freedom of man.

Meanwhile, owing to our close ties of culture and technology as also to our common political aspirations we Americans in some measure can share in the rightful pride of Israel in her continuing progress. But more important is the United States interest in Israel's spiritual and economic victory in the years ahead.

I know, Mr. Speaker, that I echo the sentiments of the people of the First Congressional District of the State of Washington in saying God speed the day when swords and spears are turned into ploughshares so that in an era of amity the fruits of Israel's industry, production, progress and plenty may be extended to her neighbors and the other peoples throughout the Middle East.

Meanwhile, and until that looked-for day of peace, in friendship and mutual esteem I express the hope and conviction that Israel may stand firm and strong as she has, thank God, during the past decade against totalitarianism and tyranny.

Mr. SHELLEY. Mr. Speaker, today miracles are out of fashion. But the rebirth and the re-creation of the new State of Israel after the destruction and demolition of the old kingdom of Israel almost 2,000 years ago is a true miracle. Two decades ago who really believed there would ever be a sovereign and independent State of Israel in old Palestine? In the past everything seemed to point to its improbability and impossibility.

Palestine was practically denuded of its Jewish population and the chances for the return of the Jews seemed almost nil. The land was taken over by others and settled by peoples who seemed to be dead set against any change in their status. And many Jews in dispersion seemed, at least on the surface, to display little enthusiasm for the idea of a national homeland. All these arguments seemed formidable and almost unanswerable. Yet today we all know that the impossible had become possible, the miracle has taken place. The State of Israel, with all its youth and zest for life, vigor and vitality, hope and idealism, stands as the living symbol of the old and venerated kingdom of ancient Israel.

Let no one think that this miracle came about simply by patient longing. Let no one be under the misapprehension that it was created effortlessly and with ease. It was planned, forged, and erected and set to work. They performed their task so well that, even to the amazement of their friends, in the course of one generation, a substantial portion of Palestine became a Jewish state. And on May 14, 1948, the birth of the State of Israel was proclaimed. Today the State of Israel stands firmly as the hope and the ideal of Jews not only in Israel, but also of those millions in dispersion. Today on the 10th anniversary of Israel's independence day millions of Jews proudly celebrate it as



their sacred national holiday. Today the friends of Israel wish the toiling citizens of that State peace and prosperity in the land of their forefathers.

Mr. HOLLAND. Mr. Speaker, the Jewish people have traveled long, labored hard, and suffered much for their freedom and independence. Theirs has been an almost endless struggle in adversity for many centuries, for almost 2,000 years. During all that time they were dispersed from their historic land to various parts of the world. They lived in dispersion longer perhaps than any other people, and in dispersion they suffered in all climes and at the hands of autocrats and dictators. It is true that at times and in certain places they were treated fairly; they prospered in businesses open to them, and in a few places some of them amassed great wealth and attained eminence. Still, in many places, particularly in eastern European countries and in Russia, they lived under discriminatory laws and regulations. There they were ill-treated and were even subjected to pogroms or large-scale massacres. Life had become almost unbearably difficult for them in those countries. And under these difficult conditions they wanted to return to Palestine and hoped to find their national salvation there.

This natural thought, this idea of returning someday to Palestine, has always been a vital part of Jewish thought. And Jewish leaders, through their educational and religious endeavors, saw to it that the mass of Jews firmly clung to the idea, for they all hoped that, when the opportunity to return had arrived, then the Jews would be ready to do just that. Finally, their efforts saw success when, at the end of the First World War, Britain was entrusted with the mandate of Palestine, and she had pledged to encourage the establishment of a Jewish home in Palestine.

This was the occasion for which the Jews in dispersion had been looking for during their suffering. So, under the British mandate they worked ceaselessly toward the building of Palestine. Their work was quite successful, and by the time the British were ready to relinquish the mandate, the Jewish population of the country had multiplied by almost tenfold, rising from about 80,000 to more than 700,000. Thus, on the eve of the birth of Israel, on May 14, 1948, a firm foundation was laid for the new state; its most essential sinews were there.

Since that day, in a single decade Israel's Jewish population has increased to more than 1,600,000. She has prospered and progressed beyond recognition, and she has become an industrial state in a heretofore rural region. In addition, Israel has taken her distinct place in the family of nations, has become a real force for democratic West in the Middle East, and has emerged as a decisive factor in Middle Eastern affairs. In all these tremendous achievements Israeli citizens have distinguished themselves. On the 10th anniversary celebration of Israel's independence day, I wish them success and prosperity in their newly born country.

Mr. O'BRIEN of New York. Mr. Speaker, today is the 10th anniversary

of the independence of the youngest state in the Middle East. This state is at the same time the living image of one of the oldest states in all history. The State of Israel whose birth was proclaimed 10 years ago is the true embodiment of the spirit of the ancient kingdom of Israel which existed before the Christian era. It is the spiritual descendant in direct line of that kingdom. The old kingdom was conquered by the Romans, and in the first century of our era its Israelite inhabitants were dispersed from their sacred homeland.

Thus had begun the exodus of Jews from Palestine some nineteen hundred years ago. During those centuries of the Diaspora, faithful Jews carried with them the spirit of Israel wherever they went, in whatever climes they settled and under whatever foreign government they lived. And no matter how much hardship they suffered, they clung firmly and steadfastly to one supreme and sacred idea, the idea of returning to their ancestral home and of reestablishing their ancient state. For more than nineteen hundred years this idea, this living dream, this vision, was constantly revived. Generation after generation it provided spiritual nourishment to Jewish communities in dispersion. And at the end of the First World War, when there appeared the prospect of attaining the long-dreamed and distant goal, the dreamers and visionaries were regarded as men with deep foresight leading a purposeful life.

The 10-year-old State of Israel, with all its unbounded zest for life, for progress and advancement, for its undying faith in the infinite betterment of human lot in a free and democratic society, and its firm determination to cling to its independence and defend it against all foes, stands as the living embodiment of the indomitable Jewish desire to live a free and independent life in their historic land. As the youngest of the new states in the Middle East, and as the most vigorous, powerful, and progressive of them, Israel has already become a real force in the whole region. On the observance of the 10th anniversary of its birth let us hope that she will remain a powerful force for peace in that troubled area, and in peace prosper.

Mr. FASCELL. Mr. Speaker, Israel's history has been one of struggle—a continual fight for birth, survival and progress. On this day commemorating the 10th anniversary of her birth, tremendous achievements will have been recorded for history.

Israel's 10 years of progress are a remarkable story of one of the world's youngest nations which has taken its position, head held high, among the free nations of the world.

Unbelievable problems have been resolutely met and solved: the almost unparalleled population growth and absorption of immigrants; the establishment of an excellent universal educational system; agricultural growth approaching self-sufficiency in a land with little water; the creation of an industrialized economy when no industry existed; and the building of all the other factors necessary for national life.

Sheer survival is an individual and daily struggle in this vast area where hostility of neighbors has been deliberately encouraged by the Soviet bloc.

Survival and progress are the keystones of Israel's hopes and ambitions. Help came from many places: the United States, the United Nations, and private contributions. Without this assistance, there is no doubt that achievement would have been difficult if not impossible. However, the real tribute must go today, Mr. Speaker, to the indomitable spirit of the people of Israel. The story of their desire, their courage, and their faith is the one which is written forever on this day. The struggle for survival and progress in Israel goes on. And in this test of freedom and democracy, the people of Israel, with faith and courage, are each day writing a glorious chapter. To them this salute is dedicated.

Mr. ASHLEY. Mr. Speaker, May 6 marks the 10th anniversary of Israel's independence—a day that symbolizes achievement to all freedom loving people the world over.

Only last October I had the gratifying assignment of visiting Israel to observe first-hand and report on the effectiveness of our Export-Import Bank loan program in developing and stabilizing the economy of this relatively infant country and I came away imbued with a renewed inspiration and pride in what our loans are doing to help this industrious and progressive nation achieve its humanitarian goals.

Israel came into existence 10 years ago by the will of the civilized world. It established a democracy—gave equal rights to its citizens and set about transforming the land from a barren desert to a veritable showpiece of man's ability to bend nature to his will. Every day, in fact, the desert is being pushed back in a grim race to keep Israel's economy abreast of the needs of a population that increases 10,000 monthly from immigration alone.

Our help to this deserving nation does not only cost the United States nothing, it actually earns us solid returns in two ways: First, by paying interest to our Government for loans made by the Export-Import Bank—and here it is important to note that Israel has never been delinquent in paying off her debt—and second by providing a market for American machinery, agricultural equipment and capital goods, since only American products can be purchased with the money loaned.

But the real pay-off is in terms of the intangibles. The immense satisfaction and rich reward that comes from the knowledge that we are sharing in this dramatic race to meet the challenge of providing a place for every displaced, exiled and persecuted Jew who wants to make a new life and of helping these immigrants transform wasteland into rich orchards and farms, and backward villages into modern cities.

Like America, Israel is a nation of pioneers, of diverse origin held together by a common faith and beliefs. She has struggled against great odds and has proved that she not only can survive



but can thrive in spite of insurmountable obstacles. I want to take this occasion to salute Israel on her spectacular, if not miraculous political, social and economic achievement in the short span of 10 years and to express the hope that she will continue to stand as a beacon of democracy and a refuge for the oppressed for centuries to come.

Mr. McDONOUGH. Mr. Speaker, today marks the 10th anniversary of the establishment of the State of Israel, and the people of Israel are to be congratulated on this day for the tremendous progress which they have made in building up a new nation in the wilderness.

During the past 10 years in a country the size of the State of New Jersey, the people of Israel have taken in more than 915,000 Jewish people from abroad, and have increased the population of Israel to 1,990,000. They have more than tripled production, and have planted new communities in the desert. They have multiplied their exports by five.

Israel in 10 short years has firmly established its place in the Free World as a member of the community of democratic nations. The people of Israel have faced what appeared to be insurmountable obstacles, but with courage and steadfast faith in the fulfillment of their dream of a homeland for the Jewish people, they have met every challenge, and the spectacular growth and development of the State of Israel marks the record of their progress.

The future for Israel presents many problems. But Israel's leaders are looking ahead to the next decade with confidence and optimism that Israel will in that period of time achieve economic independence and national security.

The people of the United States extend their sincere congratulations to the people of Israel on this April 23, the 10th anniversary of the founding of the State of Israel.

Mr. GREEN of Pennsylvania. Mr. Speaker, in this age of no real miracles, the world, particularly the Free World, has witnessed a near miracle in the birth and phenomenal growth of the State of Israel. That state came into being only 10 years ago under what then seemed rather inauspicious circumstances; clouds of contention and strife were gathering, darkening the political skies. Since then, in the course of one decade, the new state went through several soul-testing trials. In two wars she was able to give an excellent account of herself, and was victorious. Today, Israel stands there as the culmination of centuries-old aspirations of the Jews. It is a real, living monument for their undying love for freedom and independence, and for their readiness to sacrifice their all in the attainment of the national goal, independence. Today the youthful, vigorous, dynamic state is a powerful force in the Middle East, and on the 10th anniversary of her independence day, I hope she will become even more powerful and remain a decisive force for peace and prosperity.

Mr. BARRETT. Mr. Speaker, the Jews of Israel as well as the world Jewry have been looking forward to the celebration of this great historic event, the 10th anniversary of Israel's independence day.

Ten years ago when the Jews in Palestine proclaimed to the world the birth of the new State of Israel in their ancient homeland, they took a big step forward in laying the foundation of a new home for refugee Jews. The history of the last 10 years has proved the inevitability and wisdom of that step. And the Israelis have amply demonstrated to the world their capability of making the new state a new factor, a powerful factor, in the Middle East. Through their courageous, bold, and unrelenting efforts, and great sacrifices, they have made Israel a strong democratic bastion of the West in the Middle East. I congratulate them for their startling successes and wish them happier days in peace and prosperity.

Mr. ANFUSO. Mr. Speaker, the people of America are very proud to extend their warmest greetings to the people of Israel on this day when they celebrate the 10th anniversary of the establishment of Israel as a free, independent and sovereign state. This is indeed an occasion for the whole Free World to celebrate. Peace-loving people everywhere rejoice today at the fulfillment of the 2,000-year-old dream of the Jewish people for the restoration of this ancient nation on its ancestral soil.

In the first decade of its existence Israel has emerged as a strong and dynamic little state, despite 10 years of toil and trouble, heartaches and hardships. Its people must surely feel a great sense of pride as they look back upon these 10 years, the many achievements recorded, the progress noted in every field of endeavor, the development of its resources, the increase in its population, the growth of its agriculture and industry, its very active cultural life, and so forth. All of these accomplishments are being reviewed today, all of these achievements are being admired today.

Ten years is not a very long period in the life of a nation, and certainly not in Jewish history which dates back about 3 or 4 millenniums. Yet, in this instance it is a noteworthy achievement because of the difficulties involved in gathering many of its people from the far corners of the earth, and also because of the constant hostility to Israel by its Arab neighbors. During this 10-year period Israel experienced two wars and it was the victim of many incidents along its borders which have needlessly cost hundreds of lives.

Israel still does not know the true meaning of genuine peace on its borders and peaceful relations with its neighbors. The Arab countries are now talking of a "third round" against Israel at some future time. They either fail to realize or prefer to ignore the fact that such irresponsible talk only helps to promote turmoil in the Middle East, to keep the area in constant suspense, to invite further Communist penetration, and to undermine all hopes for the peoples of the Middle East to attain real freedom and a higher standard of living.

I regret to note that the United States has lost considerable ground in the Middle East during the past year, primarily because we continued to pursue an aimless course in that area. We are still clinging to the false hope of achieving

peace and stability through the appeasement of Nasser, despite the fact that this policy has over the recent years proven to be sterile and elusive.

In recent months we have witnessed the emergence of the United Arab Republic headed by Nasser, whose expansionist aims in the Middle East are quite clear to all by this time. New intrigues and new crises are now in the making. We know who is behind these intrigues; we also know against whom they are being plotted. We know that the Kremlin leaders in Moscow are behind Nasser and are prodding him on, first against Israel, subsequently against the West.

Must we continue to coddle Nasser and to disregard his alliance with Soviet Russia? Is it not high time for us to realize that dictators cannot be appeased? We could not do it with Hitler. We could not do it with Stalin. It will be no better with Nasser. Continuation of such a policy will only mean further losses for the United States in the Middle East. Unless we show much more firmness and determination, instead of weakness and vacillation, I fear that Soviet Russia will continue to gain in this area to the detriment of the whole Free World, and most especially the peoples of the Middle East.

Israel remains a little island of western democracy in this area, with western ideas of civilization, culture, education, and ways of life. Its people are the tillers of the soil, the miners, the factory workers, the scientists and engineers, the teachers and students, the clerks and shopkeepers—but, above all, the citizen-soldiers of the new state. They know no other homeland, except for Israel. They cling to it with a fierce pride. They are ready to defend it to the last drop of blood. Israel is here to stay and they intend to stay with it.

It is a great pity that all the energy being expended both in Israel and in the Arab countries in animosity and in warlike acts is not utilized for more constructive purposes. If only they could cast this hatred aside and sit down together to resolve their differences in an amiable manner, how much they could all stand to benefit and with them the other peace-loving nations of the world. Unfortunately, hatred and fear have blinded the leaders of these nations. They do not realize that they are rapidly going down the road of destruction and dragging their nations with them to catastrophe. I trust they will awaken to this danger before it is too late. Surely, the United States and all right-thinking people everywhere should exert every effort to bring peace and stability to the Middle East.

As Israel rounds out its first decade of independence, I wish to extend my best wishes and congratulations to the people of Israel and its very able and devoted leaders on this glorious occasion. With it go my sincerest wishes for continued peace for them and for all mankind. My greetings go forth also to all Americans of the Jewish faith, whose moral and financial support have helped to sustain Israel in its darkest days during the past 10 years. May we all live to see Israel enjoy the fruits of its labors, its freedom and independence, for many years to come.



Mr. SCOTT of Pennsylvania. Mr. Speaker, I am happy to have this opportunity to congratulate the people of Israel on the 10th anniversary of their independence. Out of the barren wasteland and the dismal swamps they have created a new nation, strong in its love of liberty and devoted in its service to humanity.

In its first decade Israel has repeatedly proved the wisdom of the United States in supporting its independence and integrity. Israel's existence has proved to be a major stumbling block to the Communist penetration which threatens the position of the Free World. It has made a decisive contribution to stability in the Middle East and has helped to prevent Lebanon and Jordan from being subverted or overrun by pro-Communist satellite states.

Israel has also done much to block or retard Communist influence among the new states of Africa. It offered a helping and a sympathetic hand to these young states and in numerous ways provided a living demonstration that democracy was the path for these new nations to take. Because Israel is itself a young, small nation, the African states have confidence in its solutions for the problems involved in organizing its government and its economy. The example of Israel's democracy is helping to keep these states out of the Communist orbit and immunized against the blandishments of Egypt.

Israel has remained calm in the face of the provocative Soviet rearming of Syria and Egypt and Moscow's support of President Nasser. It has gone ahead in its efforts to develop its own industry and economy and to extend its trade to Asia as well as Africa. It has made great strides forward in its commerce with other nations, in spite of the Arab blockade and boycott. There is need for more effective measures by our Government to combat the blockade. We have treated the Arab war against Israel with too much forbearance, with the result that our motives have been misunderstood and our attitude misinterpreted. We should make our aims in the Near East so clear that everyone will understand that an Arab-Israel peace based on free and direct negotiations is a paramount objective of American policy.

It is in our own interest that we make the firmest kind of guaranty to Israel now. Such a commitment would spell out the strong bonds of friendship and community of purpose that unite America and Israel.

Mr. FRIEDEL. Mr. Speaker, April 24 will mark the day of the anniversary of a nation that is our true friend. This nation is linked to our own United States by very strong and unbreakable ties formed by a common dedication to the highest spiritual values by service to God and man. I refer to the State of Israel, which is celebrating its 10th year as an independent country resulting from United Nations action.

It is proper and right that we, as loyal Americans, should pause a few minutes from the deliberations of this busy Congress to take cognizance of this occasion and wish this small land continued peace

and prosperity. By doing this, we give notice to the world at large that we, as freedom-loving Americans, believing in genuine democracy, give encouragement to a sister and God-fearing republic in its brave stand against the evil forces of communism and dictatorship.

I am proud to say that the United States played a prominent role in the re-establishment of the Jewish homeland. We have continued to concern ourselves with the welfare and rights of Israel.

All of us owe Israel much. Our religion, our Bible, and much of our law came from the Holy Land.

We of the United States salute the brave State of Israel on its 10th anniversary and extend our most heartfelt best wishes for a bright and happy future in the years ahead.

When we stop to consider that at the declaration of Israeli independence the Jewish population was 650,000, and that today the population totals 1,700,000 Jewish inhabitants, we realize that truly the prophecy of old has been fulfilled:

He shall \* \* \* gather together the dispersed of Judah from the four corners of the earth.

Mrs. GREEN of Oregon. Mr. Speaker, I am most pleased to have the privilege of joining with my colleagues in the House today to pay tribute to the State of Israel on the occasion of the 10th anniversary of its establishment.

Ten years is a relatively short time in the history of a nation—especially a nation born into a world of strife and turmoil.

Ten years is a short time to test the mettle of a nation.

In proclaiming its independence on May 14, 1948, Israel stated that its government would be based on "freedom, justice, and peace". These are the ideals of our own democracy and the precepts by which we strive to govern our own conduct. It is gratifying to note that, in the 10 years which have passed since the State of Israel set forth these goals, it has striven valiantly and against great odds to strive for the attainment of those goals and to conduct its affairs in accordance with these ideals.

As citizens of the United States, the tiny democracy of Israel holds a special place in our hearts.

As the first nation in the world to accord diplomatic recognition to this infant state, following President Truman's forthright action within moments after the declaration of independence, the United States should naturally be concerned with the continued growth of the State of Israel.

If, more recently, the official policy of the United States has seemed at times to falter in its support of this bastion of democracy at the crossroads of the world, such faltering has not, I am certain, reflected the true feelings of the people of the United States.

Those feelings steadfastly support the State of Israel in its endeavors to establish conditions of economic and social stability within its borders and to live at peace with its neighbors.

As the State of Israel enters upon the second decade of its existence, we, as citizens of the United States, can wish it

continued growth and prosperity in the years ahead not only because we share its ideals of "freedom, justice, and peace," but also because, as an outpost of freedom and democracy, the State of Israel serves as a first line of defense for our own freedom and for the peace of the world.

Mr. MORGAN. Mr. Speaker, the Republic of Israel this year celebrates her 10th anniversary as a free and independent democracy. I am happy that history will record that the United States was the first to establish active diplomatic relations with Israel and that we also took the lead in sponsoring her for membership in the United Nations.

Israel fulfills the aspirations of a world-scattered people. From the very day of her establishment as a nation, Israel opened her gates to Jews from all parts of the globe. Immigrants have come from over 70 countries and from all 5 continents. Among them have been the greater part of the survivors of the Hitler persecutions, many from the eastern European countries and some 400,000 from the Middle East, Africa, and Asia.

The energy and dedication of her people have given Israel a fully functioning democratic form of government. Israel can point to a population of some 2 million, with the highest per annum per capita income in the Middle East—\$700. During the short span of 10 years, Israel's exports have quadrupled, her agricultural production has vastly increased, and her industrial output has grown 6 times greater.

The people of the United States have a traditional friendship for the people of Israel whose well-being and security is of direct concern to us. Israel has made progress through the severe stresses and strains of her first decade. It is our hope that the future will bring further gains in peace and amity with her neighbors and that her already significant achievements will increase in the years to come.

Mr. DAWSON of Utah. Mr. Speaker, the 10th anniversary of Israel's independence on April 24 will mark a day of reassurance for all of us who may from time to time worry that modern man has gone soft.

In their brief decade as citizens of an independent nation, the people of Israel have met and overcome many hardships reminiscent of what my forefathers encountered when they set out to carve a home from the desert that was Utah. The people of Israel have demonstrated conclusively that when the chips are down this same tough pioneer spirit which settled our own West still lives today.

These have been a remarkable 10 years of accomplishment. Hundreds of thousands of penniless immigrants have been admitted, cared for, and set on their feet. Israel's population has mushroomed from 800,000 in 1949 to 2 million today. An army has been raised and trained to fight off constant threats from without. A stable government, and one on the side of freedom, has been set up and maintained. Agriculture and industry have been developed to show a steady progress toward economic stability.



Last year, Israel's exports amounted to \$135 million, a fivefold increase in 8 years. Where 75,000 acres were under irrigation in 1948, 275,000 acres were under irrigation in 1957.

May Israel continue its steady progress, and hold steadfast to its principles of freedom, justice, and peace.

**Mr. BENTLEY.** Mr. Speaker, it is my pleasure to join many of my colleagues in the House today in extending congratulations to the Republic of Israel on its 10th anniversary. The example of bravery and the burning desire for independence which has characterized the citizens of Israel over the past 10 years fully give all friends of freedom ample reason to join them in extending congratulations and best wishes for the future at this time.

I think it is important to emphasize that the Republic of Israel is not regarded by the average American citizen of Jewish faith as a place where he or she would necessarily like to live. Rather, it is thought of as a home for Jewish refugees and persecutees from all over the world, and is supported by American Jews for this reason. It would indeed be a hard-hearted person who would say that the Jewish people, because of their sufferings and persecutions in many so-called civilized countries, have not fully merited the right to a national home of their own.

Although the actions of Israel in the field of foreign policy have not always fully concurred with the objectives of our own Government, there nevertheless exists close and friendly feeling between our two countries at this time and the administration is on record regarding the right of Israel to an independent status as a nation. The sooner that our Arab friends recognize and accept this fact, the sooner can progress be made toward a lasting and peaceful solution of the current problems which plague the Middle East.

It is certainly a pleasant opportunity for me to extend in the well of the House today congratulations to Israel on her 10th anniversary of freedom, to commend her people and her government for their outstanding accomplishments during the first 10 years of their modern national existence and to extend very best wishes for the continued economic growth and industrial and social progress of this remarkable little country.

**Mr. LANE.** Mr. Speaker, the young Republic of Israel is a shining example of the courage and initiative that thrive in an atmosphere of freedom.

Not too many years ago, it was an ancient, barren, and discouraged land. It had been that way for centuries.

But when the Jewish people proclaimed their independence, a miracle took place. Under the inspiration of opportunity, they tackled problems that seemed insurmountable. By the strength of their bodies, and with a song in their hearts, they went to work on the desert, and brought it to life.

Envious neighbors, determined that they should not succeed, attacked them from all sides. Again, the tremendous spirit released by freedom rose to the occasion and defeated the aggressors.

Ten years have passed since the birth of the new nation, and within that space of time the Israelis have made progress that would be hard to match in all of recorded history.

Americans have great admiration for their self-reliance, which evokes memories of our own struggles to be free, and to pioneer in self-development. If more nations, young and old, would follow the example of Israel and work as hard to better themselves, the contrasting failures of communism would be laughed right out of this world.

We are proud of, and thankful to Israel, for showing the Middle East how democracy works for the good of all. Israel is here to stay.

We hope that neighboring peoples will be heartened by her progress, and will be inspired to accomplish as much for themselves, so that the whole area may advance in peace toward the abundant life in which all will share.

On its 10th anniversary, we congratulate the Republic of Israel. Not only for its material development, but for something infinitely greater. Because Israel, the newest of truly independent nations, is proving to the world the creative spirit that is forever identified with freedom.

**Mr. ADDONIZIO.** Mr. Speaker, centuries before our Christian era the Kingdom of Israel existed in Palestine. There the children of Israel built their social, political, and religious institutions. They created a distinctive civilization, one of the oldest and finest in the annals of world history. About 2,000 years ago the Kingdom of Israel lost its independence. The Jewish people lost their national political independence and were evicted from their ancient homeland and dispersed in all parts of the world.

Since those tragic days nearly all Jews have lived in what has become known as the "Diaspora," the dispersion. During that long period of exile they suffered much; they endured persecution, discriminations, and inequities in many lands. But they faced their almost endless vicissitudes with remarkable fortitude. During all that time their spiritual and cultural heritage sustained their spirit of freedom and independence. Through the centuries that unique heritage was carefully nurtured and kept alive. Finally, after long years of waiting, they were afforded the opportunity of returning to their ancient birthplace in Palestine. Having thus returned there, since the end of the First World War, in May of 1948, they proclaimed their independence, and announced to the world the creation of the State of Israel. Once more they had an independent political existence.

That was only 10 years ago, but the youthful state has already taken its honored place in the family of nations. The creation of modern Israel was not easily or effortlessly attained. The birth of Israel was the culmination of strenuous and persistent efforts toward the accomplishment of a noble, a sacred task, undertaken under hazardous conditions. On May 14, 1948, when the leaders of the Jewish people proclaimed Israel's independence, herculean work had been done, and the groundwork was completed, for the creation of the new state.

For instance, in the course of a single generation—1922 to 1948—the Jewish population of Palestine had been increased almost tenfold. On the eve of Israel's independence there were some 650,000 Jews in the country, and a good start for the new state. This was especially significant because the newly arriving immigrants were dedicated to the single cause of making Israel a new center of spiritual and cultural life and a haven for persecuted Jews throughout the world. Today there are more than 1,600,000 Jews in the new state.

The 10th anniversary of the birth of Israel is certainly a great event in the lives of Jews around the world and also in the short but significant life of the new state. That state is a living, growing reality in the Middle East today. It is a lively and dynamic state. It is a democratic and progressive state with representative governmental institutions. It is a small but vigorous state and must be reckoned with at all levels of Middle Eastern affairs. In many respects it is a model state in that part of the world. Israeli citizens have built their country and are guarding their newly won freedom with extraordinary vigilance and bravery. With enthusiasm and energy they are doing their utmost to turn the desert of the Negev into a fertile land, and the hills of Galilee into blossoming orchards. By the skillful use of science and the technical abilities of their people, by installing water pipelines and oil pipelines, and by the use of chemical fertilizers, the Israelis have turned arid and inhospitable hills and desert plains into cultivable, productive farmlands and industrial centers.

Ten years after its birth the State of Israel stands as a new and encouraging beacon in the Middle East. It is fast becoming an industrialized urban community in the midst of underdeveloped rural lands. Economically and financially Israel is dependent upon trade. Unfortunately her Arab neighbors refuse to trade with her. But many other countries do. The United States is one of Israel's best customers. The response of Jewish people in the United States and throughout the world to the financial needs of Israel has always been encouraging and admirable. Moreover, the United States Government has extended large credit to Israel for the purchase of critical imports.

Politically the young state has had to face a series of grave problems, but she has faced them with courage. It is true that full-scale warfare has come to an end, but the problem of Arab-Israeli relations has not been solved. Israel is still spurned by her neighbors. No Arab state has as yet diplomatically recognized Israel's existence, and that has created an unpleasant dilemma for Israel. It is a source of gratification that Israel is persistent in its efforts to reach an understanding with the Arab countries and has not been discouraged by the rebuffs which have met its repeated persistent peace overtures.

Despite all these difficulties and dilemmas, economic and financial hardships and handicaps, and political uncertainties, on this 10th anniversary of



Israel's birth, citizens of that new state face the future with confidence. They continue in their dedicated task with undiminished zeal. On the occasion of the 10th birthday of their independence, I wish them peace, prosperity, and happiness, and express the hope that success will reward their efforts in the creation of a strong and stable state in the turbulent Middle East.

Mr. RODINO. Mr. Speaker, the past 10 years have been a difficult and struggling period for the people of Israel. Most of its 1,600,000 people in a country about the size and shape of New Jersey came as refugees from the wreckage of Europe, torn asunder by the Second World War. They came with the hope that the ancient vision of the Jewish homeland regained, where they could build for the future without the fear of pogroms and repression by dictatorial governments, would be realized. In these 10 years they have worked hard with one hand on the plow and the other hand gripping a rifle to protect their new land. Hardly any place in Israel is out of range of Arab gunfire from across the borders. Yet these people have not panicked or grown scared in the face of the ever-present danger from the vengeful neighbors. They have gone ahead to plant the rocky hills of Galilee with citrus orchards, to irrigate the desert of the Negev, to drain the marshy plains of the north. While agriculture is still the basis of Israel's economy, as it was in the time of the Old Testament prophets, the Government has instituted a vigorous industrialization plan.

The State of Israel was established on the principle that it would be opened to the Jews throughout the world. The Government has followed a program to encourage and to assist the "ingathering of the exiles" who have spread to the four corners of the world since the sack of Jerusalem by the Romans in 70 A. D. Each year roughly 80,000 Jewish immigrants arrive in Israel. The coreligionists must be fed and supported for an initial period. But more pressing, land and a place in the national economy must be found for them. It is the hope of the nation that the deserts of the south can be made to bloom and that the industrial development will keep pace with the immigration.

The people of Israel will celebrate the 10th anniversary of the founding of the young republic which is dedicated to liberty and a democratic form of government. Since the United States played a prominent role in the establishment of the State of Israel and has concerned itself with the advancement and protection of Israel throughout these years, it is appropriate, therefore, that we unite with the people of Israel in this jubilant celebration on April 24. The city in which I live, Newark, N. J., will rejoice with the freedom-loving Israelis on this momentous day. I am proud to say that I will be serving on the committee which is sponsoring and organizing Newark's salute to Israel on this occasion of triumph and thanksgiving.

Mr. FINO. Mr. Speaker, this is the 10th anniversary of Israel's independence day. Ten years of independence and sovereignty is a very short period in the

history of any nation; and it is particularly short in the very long and turbulent history of the Jews. Yet we all know today that this brief period is perhaps most significant in their entire history.

Ten years ago on May 14, Israel's independence was proclaimed under precarious international circumstances. Soon the new state was engulfed in a life-and-death war with all her Arab neighbors. Fighting bravely and furiously, and after suffering great losses, Israel came out of that baptismal fire with dignity and honor. Since then she has become a strong democracy, and has successfully managed to make striking advances on the social, economic, and cultural fronts. On the 10th anniversary of her birth, on her independence day, we wish her citizens safety, prosperity, and happiness.

Mrs. SULLIVAN. Mr. Speaker, one of the most impressive of my experiences as a Member of Congress, and one of the great thrills of my life, was to visit Israel several years ago and to traverse practically every mile of highway in that small country, visiting all parts of Israel, and seeing and talking to high officials and ordinary citizens alike.

One could not help but be impressed. The people of Israel were accepting into their midst the persecuted and the homeless from many lands, squeezing them into a tiny area, trying to provide housing and jobs for the newcomers, while at the same time trying to defend themselves against attack from their neighboring countries.

It was truly a nation in a state of siege, yet one which demonstrated in every action of every citizen a spirit of adventure and a confidence in the ultimate victory of their cause.

Even while I was there, sporadic fighting was occurring across the frontiers, and it was easy to understand the need which was so evident on every side for constant vigilance on the part of all the people.

In many ways, the task which faced these people recalled the experiences of our own pioneers in trying to make the land fruitful while living under constant danger of attack and annihilation.

Mr. Speaker, on this occasion of the 10th anniversary of the independence of Israel, I am delighted to join in these ceremonies in the House of Representatives extending our greetings to the people of Israel. I am grateful for the opportunity which I had to see at first hand the work and effort and determination and dedication being put to the task by the people of Israel in making their new nation a land of liberty and a nation which believes in democracy.

True, there are many, many problems in Israel which are far from solved. Establishing a nation does not automatically assure its future. In our own case, we find—even after all of the generations in which the United States has lived and prospered—that we, too, have serious unresolved problems which must constantly be worked at and worked out if our democracy is to survive.

America has a right to be proud of the part which our country played in the establishment of a free Israel 10 years ago and the many Americans who have done

so much individually to help Israel to meet its crushing financial burdens are indeed entitled to a sense of pride and a sense of accomplishment in what they helped to achieve.

As a Member of the Congress of the United States, I am therefore proud to serve as a spokesman for the people of my own Congressional District in extending greetings today to the State of Israel and to her leaders and to the dedicated, courageous men, women, and children carving a free land out of adversity, and making a barren land bloom and flourish.

Congratulations to the people of Israel are certainly in order on the anniversary which is to be celebrated tomorrow.

Mr. MULTER. Mr. Speaker, 10 years ago, on May 14, 1948, by our calendar and the 5th day of Iyar 5708 by the Hebrew calendar, the Jewish people reestablished a nation in their ancient homeland. Liberty loving persons throughout the world are united with Israel in the celebration of its independence day. As further evidence of our good will, we of the United States extend our best wishes to Israel on this occasion together with our congratulations for the remarkable advancement which that nation has achieved in so short a time despite her many internal problems and the constant external threats. The United States derives much pleasure from the fact that the State of Israel has become a new force of enlightenment and freedom in the Middle East. In these times when it appears that many of the Middle East countries are attracted by the propaganda of international communism, Israel has remained ideologically and politically united with the free nations of the West.

Surveying the first 10 years of Israel's history, any objective observer must admire the creative imagination and courage combined with resourcefulness and dynamic energy, which the Israeli people have exhibited in the development of their regained homeland. Deserts have been made to bloom again, Solomon's mines have been reopened, new communities have been settled, old villages have been rejuvenated, and orchards once again cover the rocky hills of Judea. Even a modern language had to be created out of the classical Hebrew of the Old Testament prophets.

All this has been going on while the country had to absorb large Jewish immigration. In 5 years the Jewish population of Israel increased from 650,000 to almost 1,500,000 people. It continues to increase. These people must be assimilated into the varied cultural patterns of the new country. Work and food have to be found for them. During these 10 years the Israelis and the Arabs have been in a constant state of hostility which has prohibited the mutual development of the region. Animosities have continued to hold back the progress of both the Arabs and the Israelis.

Israel is still compelled to import more than she exports in order to maintain the high standard of living to which her people have a right to aspire. It is encouraging to observe the energy with which Israel is entering into its recent economic development to correct this

imbalance of trade. Throughout the country there is a determination to modernize the state and make it self-sustaining where possible. Heavy effort has been exerted to increase the export trade. The rate of export has increased progressively over these 10 years due to the industrialization. It is interesting to note that the new industries contribute 68 percent to all of the exports. Today, Israel exports her products to 80 countries throughout the world. I am proud to say that Israel exports more to the United States than any other nation, over 22 percent of its total export trade. It is evident, therefore, that Israel has an expanding economy.

Most encouraging is the fact that with all of these materialistic endeavors flows a high degree of idealistic and spiritual leadership.

The people of the United States join with me in the wish for the continued peace and prosperity of the Israel nation and all the world.

Mr. HEALEY. Mr. Speaker, I would like to join my colleagues in the House of Representatives today in commemoration of Israel's 10th independence day. I salute the people of this little democratic country for their remarkable spirit and progress. Against tremendous odds, they have gone forth in 10 years to achieve great and admirable objectives. Israel's open doors have provided a place of refuge and freedom for many homeless thousands—survivors of concentration camps, the displaced of Europe, immigrants from North Africa, Asia, Jewish refugees from Arab countries, from Hungary, and other Iron Curtain countries. Israel has continued to receive destitute immigrants. Her economic problems have been further complicated by the refusal of her Arab neighbors to establish peaceful relations.

In spite of these tremendous problems, and with a population which has almost tripled in 10 years, Israel's achievements have been prodigious in industry, commerce, agriculture, education, health, medicine, science, and culture.

I am sure that our American friendship has been a vital source of strength to the people of Israel during this first decade. We will continue to admire the courage of the Israeli people as they go forth into a second decade, still faced with hardship and hazards. We salute them and wish them well as they continue to work and strive unceasingly for a life of dignity and freedom, for survival and ultimate peace.

Mr. PRICE. Mr. Speaker, as we approach the 10th anniversary of the State of Israel, created by the faith and bravery of her own people under approval of the United Nations General Assembly, many of us have been impressed again with her remarkable achievements.

Surely no small nation was ever established under more dramatic circumstances, none has ever persevered against more stringent difficulties. She was threatened before her birth, and the threat of extirpation by active belligerence against her has never ceased. She has dwelt in menace, she is menaced today. Yet she has endured and grown stronger. She has beaten back all blows,

she has steadily improved her grasp upon that to which she has a right—and on nothing else.

She has drained the swamps, she has reclaimed the soil. Her people have established themselves on the frontier, where they have labored to irrigate and improve the acres that for centuries were left untended by the husbandman. She has concentrated on the arts of peace while maintaining a citizens' self-defense marked by extraordinary morale and willingness to sacrifice for the common welfare.

Israel was born, let us remember, in the aftermath of the war to destroy Adolf Hitler. She sprang from the victims of the concentration camp, the minority of the Jewish people in central Europe who escaped the gas chambers, the Jews of the western democracies who for more than a generation after the First World War kept alive the dream of a democratic national homeland for their people in Palestine.

Though she sought peace under the General Assembly declarations, she found no peace. She was invaded the day after her existence was proclaimed. She was victimized by economic boycott. She has existed these 10 years under continued boycott, with the Suez Canal closed to ships bound in all innocent passage for her ports. For years even the Gulf of Aqaba was closed by threatening guns to ships seeking peaceful and innocent passage to the port of Elath. She has dwelt under the shadow of a struggle of the great powers in the Middle East and under the menace of vast manipulations by her neighbors.

Through all this, her accomplishments are remarkable. Never once has she neglected her purpose and never once has she wavered in her efforts to obtain her objectives—a secure homeland, a place of refuge for the Jews of all lands who may wish to migrate, the development of the land for the common good of all who dwell there, Christian and Moslem, gentile and Jew.

Let us look at the record. Her population of 650,000 almost tripled by 1956, to 1,900,000. Her cultivated acreage doubled; her index of production almost tripled. Her industry grew from nothing to an output that by 1956 reached a value of \$700 million. Her production of electricity more than tripled. The tonnage in her merchant marine increased by ninefold.

Man does not live by bread alone. Attendance in the schools grew from 113,000 in 1948 to 507,000 in 1957. The children of Arab families attending school almost tripled. The number of teachers doubled to more than 11,000. The number of hospitals doubled and the number of hospital beds tripled.

How does a small nation, surrounded by belligerent rulers in adjacent nations, manage to survive? The requirements of Israeli self-defense may prove illuminating to other lands. Conscription into the armed forces is compulsory for both men and women, and after active service of two and a half years both men and women serve in a ready reserve for many years. Men have the obligation for service until the age of 49, women until the age of 34—and each year each citi-

zen within these ages goes on active duty for approximately 1 month. This is how Israel maintains her strength, her capacity to defend herself with only a small standing army but with the potential of an effective and well-trained citizen field army on short notice.

The burden obviously is great. Energies and money are spent that could more usefully be employed in the further development of the land, the construction of public works, the damming of water courses, the drilling of wells, the building of factories, the production of goods.

The choice to divert energies from the works of peace to the necessities of defense has been unavoidable. It is an essential which in the passage of time should no longer be required. But the price of security and even existence is high for this small land; let us say that to their honor her people have not shrunk from paying what is demanded of them.

On our part we have the duty to recognize heroism when we meet it, diligence and honor when they manifest themselves, the place of Israel in the Middle East and in the family of nations. Our people wish her well and join in celebration of a brilliant and fruitful first decade of national life.

Mr. KEAN. Mr. Speaker, today marks the 10th anniversary of the founding of the nation of Israel.

On this, the 10th birthday of that gallant nation, we, all Americans, should take a good long look at what the people of Israel have accomplished in their first decade of existence as a nation.

Their achievements are many and significant. They show what can be done by a determined and progressive democracy even though plagued—militarily, diplomatically, and economically—by their neighbors.

As we all know, Israel's first decade has not been an easy one. In its young life, Israel has faced many grave problems. There was the threat of internationalization, the threat of partitioning, and the threat of invasion.

A less brave people might have retreated or succumbed in the face of such overwhelming odds. Yet, Israel has moved steadily forward. Through the blood of its valiant sons, it has maintained its borders against its enemies. Through the industry and determination of its citizens, it has prospered. A bastion of democracy has been established in the troubled Middle East.

All of the accomplishments of Israel's first decade cannot be detailed in the time allotted me, but I would like to point out what I consider some of the highlights.

Israel has trebled its population, thus firmly establishing itself as a haven for those fleeing from persecution. By the end of 1957, Israel had a population of 1,976,471.

Israel has established diplomatic relations with 50 countries, 11 of them in Asia and Africa, which has gained it a firm place in the world family of nations.

Israel has steadily expanded its position as a nation of commerce. She has formulated 17 trade agreements. Her exports have increased from \$30 million in 1949 to nearly \$135 million last year.



with its goods reaching the markets of 80 nations. Her imports have increased from \$250 million to \$403 million in the same period.

Israel operates its own airline to the United States, Europe, Africa and Asia. She has built railways and highways. She has a merchant marine fleet of 35 vessels and this will be increased to 47 this year.

Israel's industrial economy now represents an investment of more than \$700 million. Seventy percent of the capital has come from outside the country, which indicates a firm belief by others in the future of Israel.

Agricultural and mining settlements have sprung up in wastes that had been desolate and uninhabited for centuries. About 500 new agricultural settlements have been established. Cultivated areas have been increased from 195,000 acres to 950,000 acres, while irrigated areas have risen from 63,000 to 275,000 acres.

Israel's system of schools has grown steadily. In 1949, there were 180,844 pupils in elementary schools. Today, the number of pupils is 404,900. There also has been considerable expansion in secondary, vocational, and agricultural education. At the same time, Israel has shown rapid progress in the field of higher education through its universities and scientific institutions.

For its achievement, the gallant nation of Israel deserves a resounding salute from the free world. It has proved that a free people can progress even under most overwhelming odds.

But in 10 short years Israel has not yet reached the goals it seeks and wants. The road ahead still is full of pitfalls and dangers, but its people have the determination needed to reach the goal just as our forefathers did in 1776.

As Israel faces its second decade, the determination of the people of the gallant nation probably is best expressed by Premier Ben-Gurion in a New York Times article of last Sunday in which he said:

Israel is determined to strengthen her military preparedness and persevere in her work of rebuilding and redemption; to bring in Jews from the lands of oppression and misery; to conquer the desert and make it flourish by the power of science and pioneering spirit, and to transform the country into a bastion of democracy, liberty, and universal cultural values based on the teaching of Israel's prophets and the achievements of modern science.

A strong and ever-progressive Israel will do much to strengthen the free world and at the same time provide a safe haven for many who believe in liberty.

Mr. ENGLE. Mr. Speaker, I am delighted to join my colleagues in a salute to Israel on its 10th year of independence. The achievement of independence is always a moving occasion but in the case of Israel it had a special poignancy. It was the year 1948. Memories of the Nazi tortures were still fresh and when Israel's birth of freedom was proclaimed the Jews of the world were heavy hearted and sad in their exhilaration.

Ten years have gone by, and by truly prodigious labors in the face of attacks and constant threat of destruction the

people of Israel are building a modern, progressive nation. But above all, the 10 years have proved that the State of Israel is truly a homeland. Within its tiny boundaries have gathered great numbers of exiles and there the hopeless, the helpless, and the homeless have found sanctuary and a new way of life.

I am proud that America and Americans have had some part in the achievements of this amazing country, and I hope that in the recurring threats to their independence we will not fail the people of Israel.

Mr. CELLER. Mr. Speaker, it is altogether fitting that the House of Representatives send its congratulations to the people of Israel on the occasion of the 10th anniversary of Israel's independence. The United States can take pride that it played so humanitarian a role, and so actively abetted the concept of international morality when it sponsored the resolution in the United Nations which fathered Israel and Israel's independence. It is a historical note of major significance that the United States was first to recognize the State of Israel.

I remember well that day 10 years ago. It is etched so sharply in my memory that I can recall it in fullest detail. I can recall the prayer, the tension, the hush of the people crowded into the Israeli Embassy—then not yet an embassy—as the flag of Israel was raised over it. I can recall the tremulous singing that followed, and the circles of people in front of the embassy, dancing the hora. And when the hearts of the people there seemed so full that they could not hold more, there came the electrifying announcement that the United States Government had granted de facto recognition to the State of Israel. And then, as our dime novelists were wont to express it, "Pandemonium reigned." Two thousand years of history went into the making of that day.

I remember the behind-the-scenes activities at the United Nations: the feverish expectations as the moment for voting grew close; the corner and lunchroom debates; the off-the-record arguments. I was there and saw it all.

It is well, therefore, that this democracy hold out its hand and heart to another of the democracies. Small as it is, it is a vital link to the growth of democracy everywhere.

Mr. REUSS. Mr. Speaker, the State of Israel has achieved what many thought impossible, and even the optimistic thought but a slim possibility, on the day 10 years ago when Israel proclaimed its independence.

Despite the continuing hostility of its Arab neighbors, despite the changing political climate of the Middle East, despite increasing pressure by the Soviet Union in that troubled area, the people of Israel have built a democratic state dedicated to freedom, justice, and peace; a state that has earned full membership in the free family of nations; a state that is strong and growing stronger; a state that will survive and prosper.

The people of Israel have constructed a modern, progressive state from an ancient, arid, impoverished land. With boundless effort, extreme courage and great sacrifice, they have turned arid

hills, barren gullies, scrubby sand dunes, and forbidding deserts into new settlements, irrigated farmlands, productive mineral fields. The population has tripled, to nearly 2 million. The standard of living increases as the economy expands.

As we in the Congress join in saluting Israel on its 10th anniversary, we can take pride in the important part played by the United States and our own citizens—not only our Jewish people, but our people of all faiths—in establishing, encouraging, and assisting in the development of this gallant young nation.

We are proud that the United States was the first nation to recognize Israel's sovereignty; that we took the lead in sponsoring Israel's membership in the United Nations; that the United States Government has been willing and able to extend something like \$500 million, principally in economic aid and technical assistance, to help make Israel strong and prosperous and free.

And we are proud of the American people who, as individuals, have supported Israel morally and spiritually, and have contributed financially to the enduring future of the Jewish state through donations, gifts, and bond purchases. I am told that in my own State of Wisconsin, nearly \$5 million has been invested in the economic upbuilding of Israel through the purchase of Israel bonds by individual citizens.

Relations between Israel and the United States will grow ever closer and stronger. The American people see in Israel an image of our own country's history—a determined, democratic nation struggling for survival against heavy odds, pioneering in much the same manner as our forefathers, willing to fight for its own rights and the universal rights of man, but striving always for peace and justice.

Of course Israel has not solved all of its problems. But what nation has, young or old? In 10 short years, unbelievable progress has been made. And from Israel's ardent advocacy of democracy and freedom, her people's indomitable spirit, and her partnership with the United States in the family of free nations, will come genuine security, growing prosperity, and lasting peace.

Mr. DONOHUE. Mr. Speaker, in the midst of tensions probably greater than any it has experienced since the grim days of 1948 when it came into being as a free and independent nation, brave Israel is now celebrating the 10th anniversary of its existence.

Back in the dark atmosphere of 1948, the fortitude and confidence of the Jewish people and their leaders in proclaiming and projecting a separate state appeared to be a dangerous and dubious venture. During the 10 years that have followed that original expression it has become factually obvious that their fortitude and foresight were eminently justified. In a short decade, Israel has progressed from a humble and struggling beginning to a powerful political and cultural position in the Middle East.

With a desert and surrounding atmosphere of other obstacles appearing insurmountable, the people of Israel, with traditional courage and steadfast faith

are perseveringly succeeding in turning their country into a thriving modern nation where formerly there had been little but poverty, disease, and frustration.

In addition to the agricultural and industrial miracles which have gained the admiration of the world, Israel has become an oasis of democracy and valued ally in the turbulent and Communist-threatened Middle East.

As a renewed gesture of encouraging friendship and a further affirmation of faith that Israel will endure despite every hardship and anguish, we are happy to join with freedom-loving persons everywhere in saluting the Republic of Israel and its pioneering people on this 10th anniversary of courageous nationhood.

Mr. YATES. Mr. Speaker, this year marks the 10th anniversary of the birth of the State of Israel. Centuries ago the Jewish people were banished from Palestine, their homeland. As they wandered from land to land, exposed to tyranny and persecution almost everywhere they went, they clung courageously and tenaciously to their cultural and spiritual heritage; a heritage of political freedom, intellectual endeavor and religious faith. Ever in their minds, too, was the thought of returning to their ancestral home. Ten years ago that dream became a political reality when the State of Israel was established.

The accomplishments of the people of the new state during the first decade of its existence have been magnificent. In an area of weak and vacillating governments, Israel has established a stable regime. Beseated by warlike neighbors on all sides, thwarted by hostility and economic boycott from the Arab nations, she has nevertheless continued about her business of living and surviving and thriving, and has set an example to her neighbors of what may be accomplished by a people who recognize the inherent dignity of the people. A parliamentary democracy, Israel's Republic is fashioned after our own in its devotion to the provisions of liberty, justice and peace. In the Middle East she furnishes a beacon light to the peoples of the surrounding nations, in causing the desert to bloom and also, in giving inspiration to its people in reaching new pinnacles.

Israel is truly building a new world in the old world. From the rocky shrub-covered hills of Galilee along the Lebanese and Syrian frontiers, through the Jordan Valley, down the plain of Sharon and southward into the Negev, robust new communities are mushrooming. The barrenness of the land is being replaced with fertility. Sand dunes are becoming dotted with fruit trees. Swamps are becoming farming communities. Industrialization is taking place at a whirlwind pace. Yet, ever mindful that Israel is the Land of the Book, the people have built great institutions of learning where scientific and humanistic discoveries have been made which have benefited all mankind.

In the field of foreign policy, Israel has quickly gained recognition as a peace loving member of the United Nations. Over the 10 year period, nations have learned that the primary objective

of Israel's foreign policy is to establish commercial and cultural relationships with other members of the family of nations and to pursue a policy of peace and cooperation in the Middle East.

We honor Israel for its great accomplishments during its first 10 years. We join with her in her prayer that the threat of war may be eradicated in the Middle East, and that peace may be established—a peace which will permit Israel and the other nations of the Middle East to live together in harmony, mutual respect and dignity. I am proud to join with the Majority Leader and my other colleagues in the House in voting approval of this resolution.

Mrs. KELLY of New York. Mr. Speaker, this is an unprecedented and almost unparalleled day of joy for the Jews in their long and turbulent history. Ten years ago the proclamation of Israel's independence marked a new age for the Jews; it ushered in a new era in their lives, an era of freedom and liberty. Today, a decade later, the founding, the growth and strengthening of the new State of Israel is a fact of marvelous success.

In the course of her rather brief and somewhat stormy existence, Israel has made remarkable advances on political, economic, social, cultural, and scientific fronts. It has traversed this path of advancement in the shortest possible time and under severe difficulties, but Israelis have proved more than equal to all the difficulties facing them, and have, I am happy to say, surmounted all obstacles. As the result of their unmatched efforts, undiminished zeal, and their willingness to make great sacrifices for the common good, they have made the new state a refuge for the Jews. Israel has become a new, powerful, and perhaps a decisive factor in the turbulent Middle East. She has also become a respected member of the family of nations. I am indeed glad to join the Israeli citizens and the world Jewry in the celebration of the 10th anniversary of Israel's Independence Day, wishing them prosperity and peace in their newly built country.

Mrs. GRANAHAN. Mr. Speaker, I am indeed pleased today to have this opportunity to join the official greeting by the House of Representatives of the Congress of the United States to the people of Israel on the occasion of the 10th anniversary tomorrow of Israeli independence.

Many residents of my Congressional District in west Philadelphia contributed years of effort and a great deal of their money—often at great personal sacrifice—toward the achievement of that goal 10 years ago of a free homeland for the Jewish people from many lands where their freedom had been abridged or completely denied.

But all Philadelphians, regardless of religious background, were united 10 years ago in a sense of prayerful thanksgiving that the people of Israel had achieved their freedom. This, of course, stems from our own traditions in Philadelphia, built around the great role our city and our State played for generations in the cause of freedom everywhere.

On behalf of the Philadelphians of Jewish faith in my Congressional District, I want to place on the record of the proceedings of the House of Representatives their joy as coreligionists in the success of the embattled people of Israel in not only achieving independence but in maintaining it despite tremendous odds and pressures.

But I participate in this happy occasion in the House not only as a Member who is proud to have among my constituents many persons of the Jewish faith. Regardless of our own personal religious backgrounds, I feel that all of us here in the Congress rejoice as Americans in the demonstration made by the people of Israel of the strength of the democratic ideals which we share with this little bastion of democracy in the Near East.

Through the many, many years in which the Jewish people of the world worked and prayed for a free Israel for those Jews who wished to settle in the Biblical land which for centuries was the promised land of Israel, there were so many cruel obstacles in the way that the dream seemed impossible of realization.

Ten years ago it was finally realized. Many Americans, both Jewish and non-Jewish, played prominent roles in the achievement of this dream. Tomorrow, it is my hope to be able to participate in a special anniversary affair in Philadelphia at which former President Harry S. Truman will be honored guest. His part in the achievement of Israeli freedom, and his action as the first head of a major nation to recognize the freedom of Israel, rank in the forefront of his many outstanding achievements as a President of the United States.

Mr. Speaker, in congratulating the people of Israel on their 10th anniversary as a free, independent nation, I am mindful of the work and effort which my husband, the late Congressman William T. Granahan, devoted to this cause, and I am proud, as Bill's widow, of that work. Now that I am serving as his successor in the Congress, I look back with gratitude upon the heritage I received from him in this righteous cause and in so many others in which he was engaged.

In conclusion, I wish peace, happiness, and success in the future to the pioneering people of Israel. They have earned their place in history's good causes.

Mr. KEATING. Mr. Speaker, I enthusiastically support this resolution extending our heartfelt congratulations to the new State of Israel. It puts in words what I am convinced are the sentiments of the great majority of the American people.

Once again, I am proud and pleased to join with my colleagues in paying tribute to this noble nation on the occasion of another anniversary of freedom. Israel's 10th birthday holds special significance, because it culminates a decade packed with trouble, toil, adventure, and achievement beyond that of any nation in the history of the world for a comparable period.

First and foremost, Israel's achievement is that it exists at all today. Buf-



feted on all sides by hostile neighbors, pressured by outside forces playing the deadly game of international intrigue and aggrandizement, this state has nonetheless not only managed to keep on its feet, but has made remarkable strides forward.

It has taken in a flood of refugees from three totalitarian tyrannies—Nazi and Communist and Arab—and has found them all places to live and jobs to perform. It has welded these courageous people from widely scattered lands into a unified and stable nation.

By means of heavy investments of capital and plain hard work, the people of Israel have made an arid land produce far more than it ever had before. An embryonic industry is blooming and expanding. A larger population is being supported than has lived on the land for centuries. On all sides there is progress and improvement.

Much of this success is attributable, of course, to the indomitable courage and determination of the gritty citizens of Israel. Their dedication to the cause of freedom and independence and their willingness to work and sacrifice for their new state are perhaps unequaled in the recorded history of man.

There has, in addition, been substantial help from outside. Sympathizers throughout the world have contributed gifts and investments to Israel's growth. The important and successful State of Israel bond drives each year have provided over one-third of the land's total development budget.

There seems to be no question that Israel is here to stay, a vibrant, dynamic, firm and strong bastion of democracy in the Middle East. Though its enemies have tried to destroy it, Israel has survived simply because its people refused to be bowed.

Undoubtedly new ordeals and new challenges lie ahead for noble Israel. Its enemies continue hostile and anxious. But America will continue, also, to stand by. Our Nation, which did so much to help give Israel its start, has indicated clearly we will oppose any attack on that land.

At the same time, Israel has repeatedly demonstrated its good faith and its desire to participate in the peaceful development of the Near East. As Foreign Minister Golda Meir has said, Israel's citizens are not intruders in the Middle East, but rather are an ancient people returned there. As she said, Israel has "no other ambition but to rebuild its national life and freedom and security." Its existence "constitutes no threat to the security and independence of its neighbors," for Israel realizes the best hope for all peoples is a peaceful working out of the knotty problems now besetting the troubled Middle East.

Our debt to this brave new land is deep and lasting. Our ties with Israel are strong and permanent. From the prophets of these people we derive our law and our religion. From these people we have learned much of the wisdom and philosophy which comes only from deep contemplation and strong moral convictions.

Mr. Speaker, Abba Eban, Israel's eloquent and able Ambassador to this country, has sagely gaged Israel's

achievements thus far as a "prelude, not a climax." We in the United States must do all in our power to make that prediction come true.

We rejoice that the Star of David has risen with such brilliance and permanence over this ancient and beloved land. May we be equal to the obligation and debt we owe, to see that it continues to shine in the face of all adversity.

We salute Israel on its 10th anniversary of freedom. We congratulate it for remarkable achievements. We express confidence that its centuries-old destiny of peaceful leadership will be attained. We pledge our undying support and friendship. We in America wish it God-speed.

Mr. ZABLOCKI. Mr. Speaker, I want to join my distinguished colleagues in commemorating the 10th anniversary of the State of Israel.

The rebirth of the State of Israel 10 years ago marked the beginning of a new stage in the history of the Middle East, the cradle of the spiritual heritage of our western civilization. It was the prayerful aspiration of Jewish people all over the world, and of men of good will everywhere, that the new state would stand as a beacon of democracy, peace, and progress in one of the world's most critical regions.

During the past decade, the dynamic State of Israel has achieved considerable progress toward this end. With tremendous will and energy, aided by resources from distant lands, it has built, provided homes for countless refugees, and turned large stretches of the desert into productive fields and gardens. It stands today as a symbol of man's capacity for constructive, creative progress and freedom.

I am glad to join the people of Israel, and their friends in Milwaukee, in the celebration of this 10th anniversary. It constitutes an important milestone. And, looking to the future, I want to express my sincere wish that the people of Israel will persevere in our common search for lasting and just peace in the Middle East, and in the rest of the world.

Mrs. GRIFFITHS. Mr. Speaker, we in the United States have a special reason for rejoicing with Israel in the celebration of her 10th anniversary as an independent nation.

Ours was the first government to recognize Israel after she proclaimed her independence in May 1948. The United States also took the lead in sponsoring her admission to the United Nations.

We have not only witnessed but have been privileged, as well, to assist in the momentous task of development and reconstruction which has enabled Israel to surmount seemingly impassable obstacles. The progress made by Israel's economy is probably best indicated by the fact, that, despite the need to feed, clothe, and house 3 times as many people as lived there in the early days of Jewish statehood, and despite the rise in the standard of living of the old settlers, the adverse foreign trade gap increased by only 20 percent, rising from \$224 million in 1949 to \$273 million last year. Moreover, while exports paid for a mere 11 percent of the imports in 1949, they paid for more than one-third last year.

We have been richly rewarded in the help we have extended to this small nation. We have watched Israel welcome about a million refugees of varying tongues and cultures. During its brief lifetime as a nation, Israel has opened its doors to approximately 900,000 Jewish immigrants from displaced persons camps in Germany, Austria, Italy, countries in north Africa, and the Middle East, as well as other parts of the world. Starting with 600,000 Jews in British mandated Palestine 10 years ago, they have increased the number of the Jewish population there to 1,800,000 by today.

That Israel has made such progress is justification of the faith of those who shared in the work of establishing the country, and is proof of the great spirit and the dedication of the people of Israel to its just cause.

In 10 short years Israel has developed into the most advanced nation in the Middle East—an oasis of democracy in an area that still clings to feudal concepts.

Israel has faced many threats to her survival from the moment of her birth. Israel has and is continuing to play a constructive role in the family of free nations.

Israel stands on the threshold of a challenging decade. She merits the continued moral encouragement of all who share her great love for liberty and independence.

Mr. CURTIS of Massachusetts. Mr. Speaker, the first 10 years of Israel's independence have evidenced the most remarkable growth and development of a new country ever seen in the history of the world. Americans join wholeheartedly in congratulating Israel on this achievement and wishing this new country future health, strength, and peace.

The people of Israel overcame hostile attack at the start of Israel's existence, and subsequent blockade. In the face of enormous difficulties they have developed and transformed the land, raised up industries, trebled the population, given hospitable refuge to oppressed people, nurtured and assimilated them, revived an ancient culture, and established stable, democratic government.

These achievements in the face of such difficulties could not have been possible except by a people imbued with religious faith and fervor, and they truly partake of the miraculous.

America's friendship with Israel has been demonstrated ever since America was the first nation to recognize the new state minutes after its independence was proclaimed on May 14, 1948. This friendship is based on a similar experience in pioneer development, and a common dedication to the principles of freedom and democracy. The preservation of the independence of Israel has frequently been proclaimed to be a tenet of American foreign policy.

The presence of a free, stable democracy, with a forward-looking Western type of civilization amidst the ancient countries of the Middle East, is of benefit to the Western world, and is an example of economic development in the ways of freedom.

What is most needed in that area is peace. Instead there is a tenuous truce.

The attainment of peace would bring in its wake a resurgence of trade and intercourse, of land and water development, and would raise the living standards of the whole area. It is said that peace in the immediate future may be unattainable. The next best thing is security, and with it the gradual growth of mutual understanding and an atmosphere that will finally lead to peace. The Free World will support these objectives.

Mr. BOLAND. Mr. Speaker, today marks the 10th anniversary of the independence of the State of Israel. On this happy occasion I wish to extend my sincere congratulations to both the leaders and people of Israel for the magnificent progress they have made during the last decade and to express the hope, echoed by all America, that the future may prove even more successful and prosperous.

Great changes have been wrought since that momentous day in 1948 when Israel first proclaimed her independence—changes which can only serve as a living memorial to the courage and fortitude of the Jewish people. In the space of 10 short years Israel has risen from the status of a new and struggling nation to that of a stable and mature state whose voice is listened to with respect in the councils of the world. In the troubled sea of the Middle East, Israel stands as an island of democracy and progress.

Nor has her domestic progress been any less startling. In spite of the fact that she has been offering blessed sanctuary to countless thousands of the unfortunate victims of World War II, Israel has, nevertheless, managed to provide a sound economic base for the future through intelligent agricultural and industrial planning. Vast building programs have provided both homes and schools for her growing population. Desert areas like the Negev have been made to bloom again through the application of modern methods of technology and irrigation to the cultivation of the soil. Governmental institutions have matured and have nurtured and protected the liberties of the individual through extremely trying times.

These tremendous achievements have not been accomplished without suffering and sacrifice, for Israel has had to contend with both active military hostility and economic boycott imposed by her neighbors. It is not surprising, however, that the same faith and courage which kept the precious idea of a national homeland alive for more than 2,000 years has been able to surmount all obstacles. Today Israel stands as a symbol to men striving for their independence all over the world—a symbol of what man can accomplish when sustained by a deep and abiding faith and dedicated to the principles of freedom and democracy.

Mr. BUCKLEY. Mr. Speaker, I am happy to join with my colleagues in honoring Israel on the occasion of the 10th anniversary of its independence.

As an American I am proud of the fact that the United States was the first Nation to recognize the State of Israel immediately after it came into being, on May 14, 1948.

It is my firm conviction that the State of Israel is entitled to all the economic and moral aid and assistance which the United States can give to her. I sincerely believe that if we help the State of Israel in its development of democratic principles of government, we are not only helping the people of Israel, but we are making an everlasting friend and ally for the United States.

It was our country which did most to establish the young State of Israel. To me, Israel is a foothold of democracy in the Middle East. A strong Israel is important to the security and welfare of the United States. Israel is an important member in the group of free countries which must fight against the threat of totalitarianism. Just as we have aided other countries by the foreign assistance program, which the United States inaugurated, so must we aid Israel develop its natural resources, expand its agricultural and industrial economy, and increase its productive capacity and facilities. Of all the countries in the Middle East, the young State of Israel stands out clearly as the most dependable exponent of democracy. The people of Israel are ready to defend democracy. Israel has always supported the principles of the United Nations in every respect.

Israel is a little guy, fighting nature, fighting enemies and trying to do a great job. This little guy needs friends. He needs friends as America needed friends during the American Revolution. This little guy saw 6 million of his brothers and sisters wiped out by Hitler and the Nazis. I tell you, my fellow Americans, it would be a poor kind of America who would not admire that little guy and who would not be cheering him on in his fight against such odds.

We must continue our American policy of friendship for the young State of Israel which the United States helped to create.

We must not permit the members of the Arab League, which hates Israel, to block the road of progress of the young, democratic State of Israel. There must be peace between Israel and the Arab States in the Middle East. A strong Israel is important to the security and welfare of the United States. Israel is a bulwark against communism in the Middle East.

I hope and pray that the dynamic State of Israel will grow and prosper and that Israel will become and always be an economic, industrial, and military pillar for the Free World in the Middle East.

Mr. OSTERTAG. Mr. Speaker, I am pleased to support the resolution of congratulations and best wishes from the House of Representatives to the people of Israel on the 10th anniversary of the establishment of the State of Israel.

These have been 10 years such as few nations have known. Created as a new homeland for the Jews on the territory of their ancient kingdom, Israel was forced to fight for its existence almost from birth. But despite the threats of annihilation from its neighbors, Israel preserved its independence, established its society, and developed its nation.

As in the early years of our country, much of Israel's energies in this decade

have been devoted to opening up the land. In Israel, however, the job has been made far more difficult by the scarcity of water and the necessity of irrigation. But just as they successfully defended themselves, the Israelis also are successfully opening up the land and making the arid hills and plains bloom again as they did 2,000 years ago.

Though agriculture is the mainstay of its economy just as in the ancient days, Israel is not neglecting industry and trade in building a strong, modern economy. Ancient skills and modern technology are being combined to create a healthy, well-balanced economy.

Israel also has established and maintained a stable, representative government in its first decade. It is closely allied with the West and remains a friend of the West.

Though all of these triumphs over adversity have been almost miraculous, Israel's most admirable achievement has been its success in providing a home for almost a million refugees who have flocked to the little nation from all over the world. Almost half of the nation's population are refugees who have come in the first decade. These refugees are being successfully assimilated into the community and in turn are making their contributions to the nation.

But Israel has no desire to rest on the accomplishments of its first decade. It still faces many problems—financial, political, economic—but its people have demonstrated the determination, ruggedness, resourcefulness, patience and wisdom to meet these problems. Its leaders have declared that this is not now the climax, only the prelude. We wish for Israel future decades as outstanding as its first one.

Mr. FALLON. Mr. Speaker, 10 years have elapsed since the State of Israel was proclaimed. It was born as the embodiment of the hopes and prayers of countless thousands who did not live to see their dream realized. The toil and sweat of other thousands are making of this small, poor, and in some ways unpromising land an example to all the world.

It would be hard indeed to discover anywhere a more formidable challenge than that faced by this energetic and courageous people. About half of their country is arid desert. Much of the rest is wasteland. And since the proclamation of independence a decade ago a human flood of immigration has swelled the population.

Here we find a heart-warming saga of modern times. The newcomers—most of them penniless with their few small belongings in packages and bundles carried by their side—come from over 60 countries. They come from different social strata and different civilizations. They speak different languages. But all of them have the same objective—to live and work and die in the land of their fathers, the land of Israel. They have found in this land an open door and a welcome and a willingness to share what little there is to share. The people and the Government of Israel are united in affirming that that door will remain open.

The people of this new state are meeting their difficulties with imagination



and phenomenal industry. Through major irrigation and drainage projects they have greatly increased the land under cultivation. Agricultural and industrial output have risen by fantastic percentages. A pioneering spirit animates both city and farmland and miracles of production are accomplished with scanty equipment and meager supplies.

While the people plow and build and create their industries they must be ever watchful. Although they are not at war with the Arabs, the armistice which prevails is an uneasy one. Hostilities could break out again at any time, and indeed breaches of peace along the borders are frequent and sometimes serious. Despite their numerical inferiority, however, the Israelis are confident that they could repulse any attacks launched against them. Their army is well trained and well equipped and in the border regions the people are taught to fight as well as work, with a true pioneer versatility.

The difficulties amidst which Israel has grown have not been confined to questions of internal economics and the ever-present threat of inimical neighbors. Its Government has had to steer a cautious course in world politics. Several million Jews are at present in the Soviet Union and in Eastern European countries. Any move which might arouse the enmity of these states would prejudice the fate of many peoples. Yet a fundamental identity of interests with the Western World has led the Government to stand ever more openly on the side of the West.

The inspiring story of Israel offers new proof of the power of the creative spirit of a people who are in every sense free. All who are familiar with the history of the past decade cannot but believe that it presages a future of ever-growing achievements.

Mr. MADDEN. Mr. Speaker, the following editorial by H. B. Snyder, of the Gary (Ind.) Post-Tribune, reviews Israel's 10-year progress.

We all hope that this bastion of democracy in the Middle East will continue to expand and progress and enjoy self-government and peace.

The editorial follows:

#### ISRAEL IS 10 YEARS OLD

The Jewish community in Gary, along with some 300 others in the United States and many in other countries throughout the world, are celebrating the 10th birthday of the State of Israel (Medinat Yisrael)—"God strives," or rules.

The timing of the celebration in Israel may seem somewhat confusing. The Jewish state in Palestine was proclaimed on May 14, 1948. That was the 5th day in the month of Iyar in the Jewish calendar. The corresponding date in the Christian calendar this year was April 24. Thus the observance now.

The new state actually came into being at midnight on May 14, the moment the British mandate over Palestine ended. Two minutes later Awni Khaldy, of Iraq, paused in a United Nations Assembly debate in New York over an American trusteeship plan for Jerusalem, to declare, "The game is up." Another 9 minutes later in Washington, President Harry S. Truman issued an unexpected United States de facto recognition of the new state, acting on an appeal from Dr. Chaim Weizmann, the late Zionist leader

who was to be declared the first President of Israel.

The American gesture threw the special U. N. meeting into a turmoil and caused some bad feelings between the United States and Britain. But de jure recognition was held off until the following January 31 after the first elected Israeli Government took over.

As British troops left the new Israeli nation, five Arab countries joined in an attack. The Israelis won that war, amazingly in view of the odds against them. They have more than held their own in the intermittent fighting that has followed.

Tragically, there has been much such fighting and there still is only an uneasy truce in the Holy Land. The world cannot be happy over that phase of the last decade in Palestine, nor can the blame for it be assessed entirely against either side. The problem of establishing peace is a thorny one that must still be worked out.

Aside from that, however, there is reason for great satisfaction in Israel, and in the world's Jewish communities, for what has been accomplished in the new nation. Jews and non-Jews can join in applauding a tremendous development.

Israel had a population of only 650,000 when it was established in May 1948. In the decade it has tripled in numbers. An insurge of Jews from all over the world, in addition to normal growth, brings the total today to just under 2 million, plus 214,000 Arab residents.

Most of the new immigrants to Israel have gone to work in the fields. They have literally made the desert bloom again. In 1948 some 412,000 acres were under cultivation; the latest figure is 956,250, with production tripled. Settlements have been built up in wastes that had been desolate for centuries.

New industries have been established, electric output has more than tripled. The Government has built more than 180,000 apartments and established 430 new communities.

All this has required an outlay of about \$3 billion. From the United States has come \$469 million in official funds. In addition Americans have been heavy buyers of Israel state bonds and contributors to voluntary aid funds that together with other aid have given the new state more than \$1 billion in funds.

As it starts its second decade, Israel's great internal problems are absorption of the remaining Arab population, irrigation, the readjustments to a socialist, welfare state. The many immigrants must be integrated into the population, and further immigration must be absorbed. One of the first major tasks will be completion of the Jordan River project, so its waters will flow to the south and the Negev to provide new agricultural land.

But all of Israel's internal problems are both conditioned and dwarfed by the huge external problem of Arab enmity. There can be achievements in the second decade of the Jewish nation far surpassing those of the last 10 years if a solution to this problem can be found. The whole Western World, not only the nations of the Middle East, have an important stake in what is done about it.

Mr. DENT. Mr. Speaker, on this occasion of the 10th anniversary of the founding of the State of Israel I have the great privilege to pay my deep respects to the men and women who have struggled courageously to recreate a Jewish homeland. Today Israel is the 10-year-old fulfillment of an 1,800-year-old dream of the Jewish people. Since the destruction of the second temple in A. D. 70 by the conquering armies of the Roman Emperor Titus, the Jews have wandered over the earth. The wish to return to their land to reestablish a Jewish commonwealth has

ever been present in the hearts of many of the Jewish people. I personally derive a great feeling of satisfaction from the fact that the United States supported the cause of the Jewish people for a homeland after the Second World War. The United States has also continued to promote peace and stability in the Middle East as the only solution for the future welfare of the peoples of the Arab countries as well as of Israel.

The greatest achievement of this first decade has been the immigration of 1 million Jews to Israel and their assimilation into the new country. The first Israeli Parliament, elected in January 1949, enacted the Law of Return which opened the country to all Jews who desire to settle. An unwritten law had been in effect since the beginning of independence and embodies the vision that the new Israeli State would be a haven where any Jewish person might live in freedom and build for the future. Jews arrived from all of the Eastern European countries, from Kurdistan, Morocco, Iraq, England, Yemen, and as far away as Shanghai and Bombay during the first decade. In 1948 there were 650,000 Jewish inhabitants. By 1958, the population had grown to 2,000,000 including about 1,800,000 Jews and 214,000 Arabs. No other country has grown so rapidly in an equal span of time. And the immigration has not ceased. Between 1957 and 1962 the Zionist leaders have planned to bring 600,000 immigrants to the Jewish homeland.

The increase in the agricultural and industrial production has been an achievement second only to the population expansion. The Biblical landscape, where the "plants are an orchard of pomegranates, with pleasant fruits; spikenard and saffron; calamus and cinnamon; with all trees of frankincense, myrrh and aloes" had long ago disappeared. The countryside, which had reverted to desert land through the centuries, was barren and rocky. Except for the narrow strip along the seacoast, the land could not sustain many people.

Although Israel was under the constant surveillance of the rifles of hostile neighbors, the Israeli Government instituted a vigorous development program to provide land and a place in the national economy for the unending stream of immigrants. Modern agricultural methods, equipment and education have been put to work to increase cultivated areas by nearly 300 percent. A national irrigation program, which will be completed by 1961, has already put 400 percent more land under cultivation. The agricultural effort has been highly successful in increasing the productivity of the land. The yield from the land has been raised threefold and now supplies about 70 percent of the country's food requirement. It is self-sufficient in vegetables, eggs and poultry. Although foodstuffs are the main export commodity, chiefly citrus fruits, which comprise 42 percent of Israel's total exports, industrial production has risen 500 percent to augment the export trade. Among the new industries which have been opened are steel, fertilizers, tires and other rubber



goods, paper products, piping, diesel engines, electrical appliances, and the assembly of motorcars and refrigerators. Textiles, plastics, all essential household items and many products are made locally.

It is invigorating to observe how ardently the Israeli Government has attacked the problem of a trade imbalance. There is a noticeable determination on the part of the entire people to make the country self-sustaining where possible. Progress has been made; the formidable trade ratio of 9 to 1 has been reduced to 4 to 1. This means that Israel is now producing more and buying less, and is on the way to putting its national economy on a firmer foundation. The purchase of defense equipment in foreign markets continues to bite deep into the trade balance. Today Israel exports its products to 80 countries throughout the world. I can say with pride that Israel exports more to the United States than to any other nation, over 22 percent of its total trade. It is evident, therefore, that Israel has an expanding economy, although it will be dependent on foreign assistance for the next decade.

The Government's program for the second decade is bolder and more daring than that of the first decade. It plans to open up and to colonize the southern desert area of the Negev and to establish agricultural and industrial settlements in central and upper Galilee. Exploration and investment in the Negev will open up a rich storehouse of natural resources. The legendary mines of King Solomon with all their wealth have been rediscovered in this area. The Dead Sea contains abundant deposits of potash and other raw materials for a large chemical industry. Already a growing chemical industry contributes 7 percent to the total industrial output. Deposits of phosphates, manganese, copper, iron, feldspar, and mica have been unearthed. Oil strikes have proved that the Negev has reserves of high-grade petroleum—a necessary item in a national economy which has to spend roughly \$34 million annually on imported fuel. A domestic source of fuel is important since the Arab nations have levied an embargo on oil to Israel.

Water and labor are necessary, however, to make the country again flow with milk and honey as of old. The Jewish settlers have clearly shown by the results of the last 10 years that they can work and work hard. The country does have enough land to support a larger population, but there is a critical lack of water, as there is through the entire Middle East. More exactly, there is a sufficient amount of water, but it is just not in the right places. The most pressing need at the present time, therefore, is an irrigation program to make the Negev bloom and to generate more electrical power to supply the infant industries.

The future advancement of the country is based on the execution of a national irrigation project. A large part of the nation's irrigation project has already been realized. The real solution to the problem is to pipe water down from the north, where it is available. In 1955 a pipeline was opened from the Yarkon River to the Negev. The project

of saving the storm waters of the big Huleh Swamps for all-year agricultural production is more than 50 percent completed. By 1961 it is anticipated that the nationwide irrigation program will have fully exploited all available indigenous sources of water. The project envisions the channeling of the River Jordan and its tributaries, which can supply one-quarter of Israel's annual requirement. But the Jordan River irrigation project is inseparably tied in with the complex question of Arab-Israeli relations and a resolution of this stalemate might open the way for further discussion of regional development and the Arab refugee question.

The completion of the irrigation project is predicated upon an agreement with the neighboring Arab State of Jordan for the harnessing of the Jordan River waters. There is not sufficient water in the Jordan to satisfy the demands of both Israel and the Hashemite kingdom of Jordan. To prevent open conflict it is necessary to draw up a regional approach to the mutual problem of land reclamation. The Johnston Jordan Valley plan of 1953 offered the most equitable distribution to enable Israel and Jordan to derive the maximum benefit from the river water. The plan was accepted by Israel and Jordan but later Syria and Egypt pressured Jordan into withdrawing.

What can the United States do at this time to bring political and economic stability and to stimulate a spirit of mutual cooperation in this area? The administration's policy of vacillation to support first Israel, then the oil-rich Arab countries, has contributed immeasurably to the political turbulence of the area. A firm policy always pays off. Our failure to come to grips with the basic realities of the Middle East has opened the door to Soviet penetration.

First. The prerequisite for an enduring solution to the Israeli-Arab animosity is the Arab acceptance of the fact that the State of Israel is a sovereign nation and has become a major factor in the future of the Middle East. The United States has weakly affirmed this fact, but we could stress this basic belief of our Middle East foreign policy by increasing the amount of economic aid to Israel. We could indicate that the United States guarantees the security of Israel by consulting more frequently with the Israeli Government on affairs pertaining to the Middle East.

Second. In view of the disruption of friendly relations between Jordan and the United Arab Republic (Egypt and Syria), the United States might encourage Jordan to cooperate on the Jordan River project.

Third. Peace and stability will never be established in the Middle East until the question of the Palestinian refugee is resolved. The cankerous sore of the refugee camps infects the entire region with hatred and distrust. The receptivity of the refugees to the propaganda of Radios Cairo, Damascus and Baghdad causes a dangerously inflammatory situation. The United States has, from the beginning, contributed a major share of the funds to maintain the refugee camps and has provided proposals for eliminating

the refugee problem. The Johnston Jordan River Valley plan, which recognized rightly that an irrigation project and the refugee problem were indivisible, expected and included in its calculations a resettlement of the refugees in the Arab land made fertile by the Jordan River. The United States should use its influence to end the suffering of the Palestinian refugees by repatriation to Israel or resettlement in Jordan with the choice of alternative being given to the individual refugees.

The Israeli experiment has clearly demonstrated that the Arabs and Jews can live together in mutual cooperation. The Israel Government has pursued an enlightened policy toward the indigenous population of 214,000 Arabs. The Arabs in Israel enjoy the same high social, economic, health, and education standards as the Jews. The Israeli Government has never differentiated between Jew and Arab in its policies except in matters of national defense. When Israel was founded, the Arab population numbered about 120,000; since that time about 30,000 Arabs who were living in the neighboring countries have been permitted to rejoin relatives in Israel. An Arab child receives free elementary education from the state. There are Arab students in the Hebrew University of Jerusalem. The Arab farmer is not in bondage to an absentee landowner or a moneylender. The Arabs are represented in the Israel Parliament, the Knesset, and are permitted to speak Arabic in deliberations of the Government.

The State of Israel has become a new force of enlightenment and advancement in the Middle East, and herein lies the danger of Israel to the feudal society of the Arab countries. The democratic State of Israel springing from the respect of the Hebraic prophets for the inherent dignity of man, has been revolutionary for the Middle East in building a new society with the aid of modern science and technology. The Arab leaders know that if ever the social revolution spread beyond the borders of Israel into the Arab world, the old order of a few landlords standing on the masses of people will come tumbling down. If the Arabs and the Israelis would enter into discussion about mutual problems demanding a regional approach, there is a strong possibility that Israel, possessing a surplus of technicians and scientists, could render valuable assistance for developing the natural potentialities of the Middle East and Africa as it is now doing for the new African nation of Ghana.

I would like to see a more imaginative and more consistent American foreign policy adopted to advance the cause of peace and stability in the Middle East.

Mr. BECKER. Mr. Speaker, 10 years ago the State of Israel was created and from virtually nothing the people have developed a country that has been marked with extreme sacrifice and hard work rarely seen in the last century. As a visitor to Israel 3 years ago I was able to experience firsthand the undaunted courage of the people and those charged with administering the governmental affairs.



I join with all others in wishing continued peace and progress to the State of Israel.

Mr. DEROUNIAN. Mr. Speaker, I am happy to offer my congratulations to the State of Israel in this, the 10th anniversary of its founding.

It has been 10 remarkable years of disappointment and encouragement, strife and peace, struggle and accomplishment, and as we look back, the pattern we see is definitely one of growth.

Immigration has more than doubled the population in these 10 years and Israel is today made up of people from the Middle Eastern countries, from Yemen, Iraq, North Africa, Turkey, in addition to the many countries of Europe and of the Western Hemisphere. The resulting social and economic challenges are being met and Israel's own, distinctive culture is emerging.

We have watched the State of Israel progress in science and the arts, in agriculture and industry, and we all hope for it the attainment of its goals in the years ahead.

#### THE STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, in 1900 only horse-drawn carriages might have threatened us as we made our way to the Capitol. In those days they could have hardly conceived of the automobiles, planes, TV's, and even Sputniks, which we have come to regard as commonplace.

But since that day have we grown in wisdom? Rudyard Kipling, in his *The Gods of the Copybook Headings*, observed the economic and governmental foolishness of every generation preceding his own and that willingness to abandon these Gods of the Copybook Headings, the fundamental truths, and, obviously, doubted that succeeding generations might avoid the same false gods. Our current activities governmentally abuse these fundamental truths as we attempt federally to spend ourselves rich.

Lack of time and space prevents my quoting his entire observations. Nevertheless, we in the 1958 Congress would do well to consider a few random stanzas:

When the Cambrian measures were forming,  
they promised perpetual peace.  
They swore, if we gave them our weapons,  
that the wars of the tribes would cease.  
And when we disarmed, they sold us and  
delivered us bound to our foe,  
And the Gods of the Copybook Headings  
said: "Stick to the Devil you know."

In the carboniferous epoch we were promised  
abundance for all,  
By robbing selected Peter to pay for collec-  
tive Paul;

But, though we had plenty of money, there  
was nothing our money could buy,  
And the Gods of the Copybook Headings  
said: "If you don't work, you die."

And that, after this is accomplished, and the  
brave new world begins,  
When all men are paid for existing and no  
man must pay for his sins,  
As surely as water will wet us, as surely as  
fire will burn,  
The Gods of the Copybook Headings with  
terror and slaughter return.

#### ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, on yesterday I introduced H. R. 12074, a bill to authorize the sale and transfer of acreage allotments and marketing quotas, and for other purposes. This bill is identical with that introduced by the gentleman from Mississippi, Congressman JAMIE WHITTEN, with whom I conferred prior to introducing my bill.

This bill would allow any farmer, cotton, corn, grain, or otherwise, to sell to any other farmer, on such terms as the parties agreed upon, his acreage allotment and marketing quota.

Some time ago, along with Congressman WHITTEN and other Members, I introduced a similar bill to allow the Department of Agriculture to transfer acreage, but the Department opposed on the basis that too much bookkeeping was involved. H. R. 12074 eliminates any bookkeeping except that of the agricultural stabilization and conservation committee of the county, which already has that responsibility. Transfers are only allowed within the county.

The purpose of this legislation is threefold: to preserve the acreage allotment and marketing quota in each county at its present level; to rectify in part the devastating shock of the Soil Bank on small-farm production; and to encourage the use of the acreage now idle because of the Soil Bank.

Our relief rolls are filled with farmers literally put out of business by the Soil Bank. This is particularly true of the colored farm population of the Southeast who know no other trade.

In addition, ginners, merchants, fertilizer, and other related businesses have been sorely hit.

Enactment of this legislation would do much to relieve unemployment, and, in turn, help the general economy of the Nation.

#### PERMISSION TO SUBCOMMITTEE NO. 5 OF THE JUDICIARY COM- MITTEE TO SIT DURING SESSIONS OF HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5 of the Committee on the Judiciary may be privileged to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### COMMITTEE ON ARMED SERVICES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### ACTION NEEDED ON POSTAL PAY BILL

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, the powerful Hearst newspapers, published in many large American cities from coast to coast, recently all carried a strong and convincing editorial as to why postal workers should receive a pay increase.

The opening paragraph of the Hearst newspaper editorial said:

It is no secret that the Nation's postal employees have long been one of the most neglected groups in the entire Federal employment structure.

I agree 100 percent with that statement. A pay raise for these faithful, hard-working, and conscientious public servants is long overdue. I hope the Congressional leadership will stop dilly-dallying on this legislation, get a conference report to the floor of the House and the Senate, so that these bodies can take prompt action on the pending pay-raise bill.

The postal pay-raise bill, as passed by the Senate, provides for a pay raise that runs from 7½ to 12½ cents an hour. The House-passed bill provides raises of 10 to 14 percent. It ought not to be too difficult to settle the differences in the two bills and get a postal pay-raise bill to a final vote.

Almost everyone in our economy has received a pay raise since the last one voted postal employees. Failure to increase postal pay is discrimination against postal workers.

Favorable action on the pay-raise bills that have been before Congress now for almost 16 months is long overdue. Sixteen months is too long to take for urgently needed legislation of this kind.

#### THE FARM INCOME SITUATION

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, the United States Department of Agriculture, under date of April 22, 1958, in the Daily Summary, issued the following release:

#### THE FARM INCOME SITUATION

In first quarter of 1958, annual rate of farm operators' realized net income rose

sharply to about \$13 billion, compared with rate of \$11.7 billion in same quarter of 1957. This reflected substantially higher prices received by farmers for beef cattle, hogs, eggs, potatoes and other vegetables, for which supplies were reduced from a year ago. In addition, marketings of other products such as cotton, feedgrains and soybeans were augmented this year from last year's delayed harvest. Rate of production expenses also increased about 3 percent, with prices paid by farmers reaching new high. Prices of farm products are running well above last year and are expected to average higher for year than in 1957. As new harvest approaches, with prospects that supplies of some farm products will increase notably vegetables, hogs, fed cattle and eggs, current levels of prices and incomes may move toward the levels of 1957. Even so, farm operators' realized net income in 1958 is expected to be from 5 to 10 percent above \$11.5 billion realized in 1957. Cash receipts from farm marketings in first quarter of 1958 totaled approximately \$6.9 billion, up 7 percent from first 3 months of 1957. Preliminary estimate of farmers' cash receipts in March is \$2.1 billion, 11 percent higher than March year ago.

#### SUBCOMMITTEE ON TRANSPORTATION

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that the Subcommittee on Transportation of the House Committee on Interstate and Foreign Commerce be allowed to sit this afternoon and tomorrow afternoon while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### SUBCOMMITTEE ON TRAFFIC AND SAFETY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Rogers Subcommittee on Traffic and Safety of the Committee on Interstate and Foreign Commerce may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### FINANCIAL ASSISTANCE TO SCHOOLS

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 531 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided

and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and pending that I yield myself such time as I may require.

Mr. Speaker, House Resolution 531 makes in order the consideration of H. R. 11378, providing Federal assistance to schools in federally impacted areas. The resolution provides for an open rule and 2 hours of general debate on the bill.

The bill contains two titles. Title I amends Public Law 815 of the 81st Congress which deals with school construction in areas affected by Federal activities. Title II amends Public Law 874 of the 81st Congress. This act deals with Federal assistance in the maintenance and operation of schools in areas affected by Federal activities.

In the case of children of persons who reside and work on Federal property, so-called category A pupils, the programs are established on a permanent basis. In the case of category B pupils, that is children of persons who either reside or work on Federal property, but not both, and category C pupils, those children whose parents work for private industry having defense contracts, the bill extends the programs until June 30, 1961.

The rate paid for category B children is approximately 50 percent of the established rate paid for category A children. At the present time some school districts having only a few category A pupils count them in other categories to establish eligibility, and then receive payment for them as category B children. Under this bill eligible school districts will receive full payment for any A category pupils under both the construction and operation programs.

Changes are made by this bill in Public Law 874 insofar as it involves larger school districts. The bill provides that school districts having 35,000 or more children in attendance on June 30, 1957, rather than the date now used, June 30, 1939, will be eligible. This would bring 18 additional school districts under the bill. Under existing law school districts are not paid for up to 3 percent of the total enrollment, but this bill eliminates this 3 percent absorption provision, and provides that larger school districts must show that 6 percent of the total enrollment are federally connected pupils, but when this eligibility is established, payment will be made for all federally connected pupils in the district. School districts having an enrollment of less than 35,000 must show that 3 percent of their pupils are federally connected children to be eligible.

Further, the bill provides a new formula for computing minimum rates of payment under Public Law 874 to eliminate the escalator effect of the present formula. The minimum rate of payment

per pupil will be determined to be one-half of the national average cost per pupil for the whole Nation rather than basing the payment on the national average local contribution rate of applicant districts.

Changes are made in the bill which will enable school districts educating Indian children to accept payments under Public Law 874 without forfeiting the right to obtain payments under the Johnson-O'Malley Act for special services and for meeting educational problems under extraordinary or exceptional circumstances.

An extension is made to existing provisions which provides that a school district may be eligible for payments under Public Law 874 by reason of having in attendance children of persons employed by any facility engaged in the modification of aircraft or aircraft engines under contractual arrangements with the Department of the Air Force at an airport which is owned by a State, or by a political subdivision of a State.

In addition, several technical amendments are made to both Public Law 815 and Public Law 874 which, I am sure, will be fully explained by members of the Education and Labor Committee during the debate on the bill.

It is estimated that \$204,700,000 will be necessary to carry out the provisions of these two acts as amended by H. R. 11378.

Mr. Speaker, this legislation is most necessary. It is just as essential as any other part of the defense program of which indeed it is an integral part.

Mr. Speaker, I have supported all similar legislation in the past. Indeed, I was one of the original sponsors of this type of legislation more than 10 years ago. The resolution and the bill should be adopted.

Moreover, I am sure that it is not necessary to sound the warning that no crippling amendments should be adopted.

For, it is obvious that a certain amendment, if adopted, would result in the death of the bill.

In fact, I have assurances from the real friends of the bill that this will not be done.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the gentleman from Mississippi has explained, House Resolution 531 makes in order the consideration of H. R. 11378 under an open rule providing for 2 hours of general debate. H. R. 11378 would extend, until June 30, 1961, with certain changes, the present public laws, known as Public Law 815 and Public Law 874, which deal with the construction and operation of public schools in federally impacted areas. "Federally impacted areas," as far as this legislation is concerned, means where the Federal Government has moved into local school districts and has taken up a great deal of land and other taxable property, while at the same time has brought into these local school districts a great many children who must be educated. In some instances many of these children live on the Government reserva-



tions. In other instances the children of these Government employees actually live off Government property, but within the school districts affected.

This legislation, which first passed originally a number of years ago, and has been extended several times by the Congress, simply provides that the Federal Government contribute to these local school districts, some 3,000 of them over the Nation, certain funds in lieu of taxes. Let me point out that, if a private industry were to move into a school district, as the Federal Government has moved its installations into many school districts throughout the Nation, that such private industry would be compelled to pay local taxes to support the local educational system, and the public schools in the area.

Certainly it is only fair, it is only right, it is only proper, as the Congress has determined so often in the past, that the Federal Government make such contributions in lieu of taxes, not only for the construction of the school buildings needed in these impacted areas, but also for the operation of the schools therein, as well.

I am very strong in my support of this legislation because I believe it meets a responsibility of the Federal Government. It provides only that the Federal Government shall do that which private enterprise is expected to do in like circumstances.

I understand there may be some amendments offered to this bill, as far as the formula is concerned for figuring the amount of Federal funds to be made available for these various impacted school districts. But I am hoping that this general legislation will be enacted and approved overwhelmingly, as it has been each time by recent Congresses. Public Laws 315 and 874 are good, fair, and needed laws. They should be extended.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I want to be recorded as favoring this legislation. During the past 8 years I have had an opportunity to see it at first hand at Chanute Field where we have had an impact situation. Without the help given by this type of legislation I do not think we would have been able to educate the children at Chanute Field. This is a situation where many hundreds of children have been literally dumped upon the community. Under this legislation they have been able to build schools, they have been provided funds to secure teachers to take care of this load. Chanute Field, as an example, is almost a city within itself. There are some 18,000 military personnel and civilians. The community of Rantoul, Ill., where Chanute is located was originally a town of some 2,000 and is now a town of roughly 10,000. So, actually the field is larger than the community itself.

I think this legislation has been badly needed. It is the only way in which this type of situation can be taken care of in impacted military areas all over the United States.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time.

Mr. METCALF. Mr. Speaker, the Committee on Education and Labor is holding hearings on various bills for Federal assistance for school construction and payment of teachers' salaries.

Testimony has been presented showing that the shortage of teachers is increasing and that we are neither filling the present classroom shortage nor meeting the increasing needs of our growing population.

Dr. Walter W. Heller, economist at the University of Minnesota, presented persuasive reasons why we should immediately take steps to relieve the classroom shortage and increase teachers' salaries. A part of Dr. Heller's testimony related to the antirecession impact of Federal aid for school construction and teachers' salaries.

Dr. Heller is eminently qualified to analyze the antirecession results of Federal aid. He is serving as tax adviser to the Governor of Minnesota and is a consultant to the Committee for Economic Development. In addition to acting as chairman of the department of economics of the University of Minnesota, he is a member of the board of directors of the National Bureau of Economic Research. Dr. Heller was tax consultant to Gen. Lucius B. Clay in Germany in 1947-48 and subsequently served on the tax advisory staff of the United States Treasury.

That portion of Dr. Heller's statement relating to the antirecession impact of Federal assistance to build schools and pay teachers an adequate salary follows:

#### ANTIRECESSION IMPACT

The long-run case for Federal participation in the financing of public education for our children, powerful and persuasive as it may be, is strongly reinforced by short-run considerations. The present deterioration, if not outright crisis, in State-local finance has already been reviewed. I refer now to the timely and appropriate role than an immediate program of Federal school support, especially for school construction, could play in the Federal Government's antirecession policy. At no time since World War II has the business and economic situation been more favorable for a decisive attack on the persistent shortage of elementary and secondary classrooms.

To be sure, we agree wholeheartedly with the basic philosophy expressed by Secretary Marlon Folsom last year (in the paper prepared for the Congressional Joint Economic Committee's compendium, *Federal Expenditure Policy for Economic Growth and Stability*, Nov. 5, 1957, p. 881):

"School construction . . . should be accelerated in spite of the fact that privately financed construction and employment in the building trades are at record levels for peacetime. The child who is ready to enter school should start now—he cannot be put on a shelf until a depression comes and supplies the impetus of an economic emergency to the building of more new schools."

Today we have a golden opportunity to eliminate our classroom shortage—a responsibility that we as a nation have been neglecting for over two decades—and with the added benefits of putting idle men, materials, and equipment back to work. A school-construction program is exceptionally well adapted to reabsorb into productive employment precisely the types of unemployed labor and unutilized industrial

capacity that characterize the present recession.

Let us examine some criteria that should be applied to Government expenditure programs to determine whether a program deserves a priority position as an antirecession measure.

1. Does the program meet an established need and thereby represent an efficient use of the country's productive resources?

2. Can its stimulative effects take hold quickly and exert their main force before the economy again reaches boom levels?

3. Does it have a high direct and indirect job-creating impact per unit of expenditure?

4. Are its stimulative effects directed at those areas of the economy most acutely suffering from slack demand in the private sector?

5. Does it abate, rather than intensify, the longrun threat of inflation?

Analyses and surveys made by the National Education Association demonstrate decisively that a program of Federal grants for school construction merit a high rating on all five counts.

#### 1. NEED

The need for additional classrooms has already been so unequivocally established and is of such magnitude that further discussion is unnecessary.

#### 2. TIMING

With appropriate Federal grants, the need for schools could be translated into early and effective economic activity that would not otherwise take place. This conclusion is confirmed by the results of an NEA survey of State superintendents of education 3 weeks ago. The survey found that if Federal funds were made available on a grant basis by July 1, 1958, an estimated minimum of 2,759 classrooms could be put under construction within 1 month, 16,325 within 3 months, 43,979 within 6 months, and 68,113 within 12 months (figures are cumulative). These figures do not include estimates from such populous States as New York and Illinois. These classrooms represent needed construction that will not otherwise be undertaken in 1958-59. Details of this survey are presented in exhibit D-1.

The estimated cost of ready-to-go construction reported by these 30 States would amount to a total of approximately \$650 million in 3 months and \$1.8 billion in 6 months.<sup>1</sup>

Past experience indicates that construction of classroom additions to existing school plants can be completed in 4 to 10 months. Construction of new elementary schools can be completed in 12 to 18 months, and construction of new high schools in 12 to 24 months. These figures cover only the construction period, not the time required for voter approval of bond issues, planning, and site acquisition.

The speed with which additions to existing facilities can be completed is particularly impressive. For example, a four-classroom addition to an elementary school in the Roseville School District of Minnesota was given voter approval on March 25, bids were opened April 24, construction will start about May 15, and the project will be completed by the opening of school on September 1.

Such additions to existing facilities constitute a large part of total classroom construction. The State education agencies

<sup>1</sup> These figures were obtained by applying the national average of approximately \$40,000 per classroom, as reported by the United States Office of Education, to the total number of classrooms the States estimated they could build. This figure covers the total cost of school plant including the cost of auxiliary facilities, purchase, and preparation of site, furniture, equipment, and all other costs.

have reported to the United States Office of Education that in the fiscal years 1951 through 1956, 62 percent of classroom construction represented additions to existing facilities and the remaining 38 percent, new facilities. In projecting their needs for instructional rooms for the period 1956 through 1960, the States reported 43 percent as additions to existing school plants, and 57 percent as part of completely new school plants. In other words, in a sizable proportion of school construction projects, no lengthy preliminary steps of planning, site acquisition, and the like are necessary. Such projects could be quickly activated by Federal grants, and the construction period would be far shorter in most cases than it would be for entirely new school plants.

Available economic data strongly suggest that recovery from the present recession will be a slow, fairly prolonged process. As a member of the staff of the Congressional Joint Economic Committee put it in a speech on April 14:

"In view of the prospect that the severe capital goods decline may continue into 1959 and that consumer spending on goods, services, and houses will depend on employment and income changes generated by business and Government spending, it would be dangerous to assume that total demand will rise significantly any earlier than the fourth quarter, or perhaps in the first half of 1959. Certainly, it would be very risky to base policy decisions on the assumption of an early strong recovery to full employment of labor and capital."

When we add to this warning the evidence brought forward by Prof. Sumner H. Slichter from past business fluctuations that the period from the bottom of recession to the peak of the boom is at least 2 years,<sup>2</sup> we can safely conclude that a large supplementary school construction program could not only be launched swiftly but also be carried through to substantial completion before the economy is again in a boom phase.

### 3. JOB-CREATING EFFECTS

Each additional \$100 million spent for school construction will create approximately 15,000 man-years of work. This work would be distributed as follows: 6,000 man-years of direct on-the-site labor; 6,000 man-years of indirect labor in building-material industries such as basic metals, lumber, glass, and plumbing manufacture; 1,500 man-years of labor in the architectural, drafting, engineering, and earth-moving occupations and professions; and 1,500 man-years of labor in the school furniture and equipment industry.

Although these figures are conservative, they compare quite favorably with the estimate of approximately 11,000 man-years of labor created by \$100 million of highway construction reported to another Congressional committee.

The 15,000 man-years of labor were computed on the basis of the experience of the Community Facilities Administration and upon an analysis by the CFA of 1,083 school-construction projects financed under Public Law 815.

### 4. DIRECTION OF IMPACT

Not only in its overall effect, but also in the closeness of its fit to the present patterns

<sup>2</sup> Statement by James W. Knowles, economist, Joint Economic Committee, U. S. Congress, in a speech, *The Economic Outlook and Its Implications*, before the American Pharmaceutical Manufacturers Association, April 14, 1958.

<sup>3</sup> In an interview published in *U. S. News & World Report*, April 4, 1958, p. 441.

of unemployment and excess capacity, an accelerated school-building program ranks high on any list of antirecession projects. This can readily be seen by comparing the types of demands created by the construction program with the types of labor, services, and basic materials now in oversupply. Apart from obvious demands for labor and services in the construction industry, school construction involves large demands for steel, cement, lumber, bricks, copper, glass, aluminum, and the like. Underemployment and overcapacity are concentrated in precisely these areas.

Industrial production by March 1958 had dropped 13 percent from its recent highs as against 10 percent in the 1948-49 and 1953-54 recessions. New housing starts in March 1958 were at their lowest point in 8 years. Industrial production as a whole was at its lowest level since late 1954. Steel output was lower than at any time (except for strikes) since mid-1949. Manufacturers' new orders in February sank to a level \$4.3 billion below a year earlier, and their unfilled orders dropped \$16 million during the same period. Yet, in all these areas, capacity to produce has risen so sharply that the ratios of output to capacity, especially in heavy goods, have dropped to new postwar lows.

Staff studies by the Federal Reserve Board show that for the 17 major materials covered by its indexes of capacity and output, March 1958 output was running at only 68 percent of capacity.<sup>4</sup> The combined Federal Reserve index for pig iron, steel ingots, primary aluminum, and refined copper showed March output at only 56 percent of capacity.

Unemployment figures are equally striking. From March 1957 to March 1958, the seasonally adjusted rate of unemployment rose from 3.9 percent to 7 percent. Manufacturing jobs were down 1.5 million from a year ago, with more than 1.2 million of this drop concentrated in the durable goods industries. Employment in contract construction had dropped 250,000 from a year ago. The workweek in manufacturing dropped from 40.1 hours in March 1957 to 38.5 hours in March of this year, with weekly earnings dropping \$1.35 during this period.

Turning specifically to the construction industry, we find that although new construction activity in March 1958 (seasonally adjusted) was down only 1.3 percent from its peak in October 1957, construction employment (unadjusted) in March 1958 was down 16.6 percent from its August 1957 peak, and 9.1 percent from its March 1957 level. New contract construction awards (as tabulated by F. W. Dodge Co.) were down roughly 10 percent in the first 2 months of 1958 as compared with a similar period a year ago. A figure of related significance is expenditure for private investment in plant and equipment, which dropped 13 percent from \$39.96 billion in 1957 to an estimated \$32.07 billion in 1958. In brief, the recession has already hit construction activity, and the contract award figures make it clear that without added government stimulus, the construction industry will be in a depressed condition for some time to come.

Although comprehensive and current data on the distribution of the school construction dollar among various types of basic materials are not available, exhibits D-2 and D-3 provide some important clues. Exhibit D-2 shows the estimated consumption of selected construction materials per \$1 million of educational construction compared

<sup>4</sup> The 17 materials are pig iron, steel ingots, primary aluminum, refined copper, cotton yarn, synthetic fibers and yarns, cement, woodpulp, paper, paperboard, petroleum products, coke, and 5 industrial chemicals.

with various other types of construction as of 1947. Although prices have risen substantially, and construction techniques have changed considerably in the past 10 years, the price rises and construction patterns since 1947 have probably affected different types of buildings more or less similarly. If this is true, the 1947 data strongly suggest that a school construction program provides a considerably better fit, in terms of materials consumed, to the pattern of slackening private construction demand than do such alternative public construction programs as highways and military and naval projects.

Further confirming evidence of the highly appropriate focus on school construction demand in terms of resources idled by the 1958 recession is provided by exhibit D-3. It presents a detailed breakdown of school expenditures among 71 labor and materials categories for a current elementary-school construction project in the Roseville School District of Minnesota. The figures under the electrical, plumbing and heating, and general contracts for this new school show that, roughly, 35 percent of the total cost of \$478,000 will be for onsite labor and 65 percent for materials.<sup>5</sup> Although the building standards of the school in question no doubt differ in some respects from the national average, it is illuminating to convert the figures on an illustrative basis to the demands that would be created by \$100 million of similar school construction. This is shown in exhibit D-4. Using this computation, we find that \$100 million invested in school construction contract costs would create \$6.1 million of demand for electrical material; \$12.7 million for plumbing and heating materials; \$6 million for structural steel, steel joists, and steel roof decking; \$2.6 million for brick and tile; \$5.1 million for concrete and concrete block; \$3.9 million for millwork; \$3.5 million for sheet metal, roofing, and roof insulation; \$3.2 million for metal windows, glass, and glazing; \$3.9 million for kitchen equipment; and \$1 million for composition floor covering.

The foregoing facts make two conclusions inescapable: (a) It will take considerable time and very sharp increases in demand to bring construction and basic materials industries back up to par, let alone put them back on the path of economic growth; (b) the types of demand created by the school-construction program are particularly well suited to aid in this process of restoration.

Effect of teacher salary increases: Although the preceding analysis of Federal financial support for schools in relation to the recession has emphasized the construction aspect, increases in teachers' salaries should not be overlooked as a stimulus to a depressed economy and an incentive for sustained economic growth.

One of our pressing needs in this period of recession is for increased purchasing power for durable goods. The production of consumer durable goods has suffered an especially sharp drop in the current recession. Production dropped from a seasonally adjusted index of 132 in March 1957 to 105 in March 1958. If the Congress were to provide the substantial increases in teachers' salaries, such increases would have the double-barreled effect of providing more purchasing

<sup>5</sup> The cost of materials and equipment used in this particular school building are somewhat higher in proportion to the total labor involved in building the school since the heating plant, electrical equipment, and related materials are of sufficient size to accommodate the future addition of classrooms. This practice is common in communities with rapidly expanding school populations.



power in every American community and of lifting the economic status of the American school teacher to a competitive position for competent manpower.

At the present time there is a backlog of needed durable goods among members of the teaching profession. Although gains in teachers' salaries in recent years have kept pace with general wage increases for all employed persons, the gains in teachers' salaries have not been sufficient to offset the lack of gains in the 1940's. The level of teachers' salaries is still substantially below 1939 levels in comparison with the average earnings of all persons working for wages and salaries. In 1939, teachers' salaries were 12 percent higher than the earnings of the average wage or salary worker. But in 1957, teachers' salaries were only 6 percent above the average for all workers. As a result of this lag, teachers have been spending a disproportionate amount of their income for food, clothing, and shelter, and less of it for the purchase of durable goods such as automobiles and washing machines. It is only reasonable to expect that with a substantial salary increase, teachers would purchase many of the items that they have not been able to purchase in the past. In addition, a raise in salary for teachers would also increase other types of consumer expenditures. A teachers' salary increase at this time, therefore, would offer a particularly beneficial stimulus to the economy, and at the same time, would help to upgrade the quality of the teaching profession.

#### 5. LONG-RUN INFLATION PRESSURES

Our best hope of maintaining a relatively stable price level in the longer run is to generate rapid growth in productivity. If we can increase the rate of output per unit of input rapidly enough, we can satisfy the rising income claims of the participants in the productive process by sharing an expanding product rather than by pushing up prices and eroding the value of the dollar.

Here, education stands head and shoulders above most competing programs. As we have shown earlier in this statement, education as an investment in human beings pays rich dividends in greater productive capacity. It develops not only the skills and understanding needed on the production line, but also the brainpower needed to break through technological barriers and reach new heights of human accomplishment. Given the creativity of educated minds, the returns on our educational investments are more than worthwhile—they may be infinite. We can erect no better advance defense against creeping or grinding inflation than the expansion of the productive and creative power of our children through education.

#### An important comment about the antirecession impact

Although large-scale school construction would create many jobs, the construction of classrooms should not be considered a make-work project. The construction of classrooms for our children is not make-work, it is catchup work. We must not ignore it any longer, regardless of economic downturns or upturns. The same is true for substantial increases in teachers' salaries.

In light of the decisive advantages of a school construction program as an antirecession measure, combined with the compelling case for Federal support in the longer run, one may well ask why it has not been at the forefront of our planning and action to overcome the recession. It is, in a sense, an accident of legislative history that preferment is given to highway, post offices, and housing. Without meaning to deprecate these programs either intrinsically or as antirecession measures, one may note that had a Federal school support program

been enacted in 1957 or 1956 or earlier, more and better schools for our children would very likely be at the head of the Federal Government's list of antirecession projects today. But caught in the coils—mistakenly and unnecessarily, in my opinion—of misunderstanding and shortsighted reasoning, Federal support for schools has been forced to give way to programs which cannot match either its long-run or its short-run contributions to national welfare and economic stability.

#### EXHIBIT D-1. TELEGRAPHIC SURVEY OF CHIEF STATE SCHOOL OFFICERS REGARDING CLASSROOM CONSTRUCTION AND LEGAL INDEBTEDNESS LIMITS

On April 5, 1958, the National Education Association sent the following telegram to each of the chief State school officers in the 48 States:

"Urgent, need estimated answers to two questions by noon Tuesday. Wire reply collect.

"1. If your State were to receive nonmatching Federal funds for public-school construction on July 1, 1958, how many classrooms could your school districts have under construction within 1 month, 3 months, 6 months, 12 months? The four answers should be cumulative. Question refers to classrooms that otherwise would not be constructed next year.

"2. What percent of your districts have for all practical purposes reached legal indebtedness or millage limits?"

"J. L. McCASKILL,  
"Director, Legislation and Federal Relations."

Replies were received from 46 States. A total of 30 States reported that if nonmatching Federal funds were available as stated in the first question of the telegram, they could have an estimated 68,113 classrooms under construction within 12 months. These are classrooms that would not otherwise have been constructed in 1958-59.

The time schedule for beginning this construction in the 30 States follows:

	Classrooms
1 month.....	2,759
3 months.....	16,325
6 months.....	43,979
12 months.....	68,113

Ten States were unable to make an estimate because data were not available. Six

States reported that Federal funds were not required this year.

The following is a tabular summary of the replies to the first question of the telegram:

*Estimated number of classrooms which could be under construction with Federal funds after July 1, 1958*

State	Within 1 month	Within 3 months	Within 6 months	Within 12 months
(1)	(2)	(3)	(4)	(5)
Alabama.....	500	5,000	10,000	11,200
Arizona.....	0	178	357	715
Arkansas.....	0	400	600	850
California.....	(1)	(1)	(1)	(1)
Colorado.....	(2)	(2)	(2)	(2)
Connecticut.....	(1)	(1)	(1)	(1)
Delaware.....	(1)	(1)	(1)	(1)
Florida.....	300	900	1,500	5,222
Georgia.....	0	150	600	1,500
Idaho.....	(2)	(2)	(2)	(2)
Illinois.....	(1)	(1)	(1)	(1)
Iowa.....	0	25	100	200
Indiana.....	(2)	(2)	(2)	(2)
Kansas.....	(1)	(1)	(1)	(1)
Kentucky.....	200	800	1,600	5,000
Louisiana.....	0	150	400	600
Maine.....	(2)	(2)	(2)	(2)
Maryland.....	(1)	(1)	(1)	(1)
Massachusetts.....	(1)	(1)	(1)	(1)
Michigan.....	0	1,000	8,000	10,000
Minnesota.....	400	800	1,100	1,400
Mississippi.....	100	300	600	1,200
Missouri.....	194	1,206	2,744	3,524
Montana.....	(2)	(2)	(2)	(2)
Nebraska.....	(1)	(1)	(1)	(1)
Nevada.....	27	193	223	271
New Hampshire.....	5	25	75	175
New Jersey.....	0	100	500	2,000
New Mexico.....	0	0	250	557
New York.....	(2)	(2)	(2)	(2)
North Carolina.....	75	225	700	1,800
North Dakota.....	0	25	75	250
Ohio.....	0	150	1,500	4,000
Oklahoma.....	0	200	450	900
Oregon.....	(2)	(2)	(2)	(2)
Pennsylvania.....	0	1,600	6,500	8,000
Rhode Island.....	0	0	107	269
South Carolina.....	(2)	(2)	(2)	(2)
South Dakota.....	0	0	200	400
Tennessee.....	254	950	1,615	2,178
Texas.....	0	100	700	1,000
Utah.....	192	268	602	714
Vermont.....	12	30	81	223
Virginia.....	(2)	(2)	(2)	(2)
Washington.....	500	1,150	2,000	2,500
West Virginia.....	0	350	700	1,165
Wisconsin.....	(2)	(2)	(2)	(2)
Wyoming.....	0	50	100	300
Total.....	2,759	16,325	43,979	68,113

<sup>1</sup> Federal funds not required this year.

<sup>2</sup> No data available.

<sup>3</sup> No reply.

#### EXHIBIT D-2.—Estimated consumption of selected construction materials per \$1,000,000 of each type of construction in 1947

Construction <sup>1</sup>	Material consumed					
	Lumber (thousand board-feet)	Cement (thousands of barrels)	Clay sewer pipe (tons)	Bricks (thousands)	Concrete blocks (thousands)	Steel (tons)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Private residential.....	1,948	6	62	579	129	174
Private, nonresidential: <sup>2</sup>						
Industrial.....	402	11	30	404	51	1,241
Commercial:						
Warehouse, office buildings.....	519	10	8	315	43	1,573
Stores, restaurants, and garages.....	589	8	16	489	85	801
Other nonresidential buildings.....	484	7	15	422	56	776
Public:						
Educational.....	440	5	12	435	34	589
Military and naval.....	930	27	53	297	51	160
Highway.....	223	23	26	23	-----	303
Educational.....	440	5	12	435	34	589
Average private industrial and commercial.....	499	9	17	408	59	1,089

<sup>1</sup> Adapted from: Margolis, Julius, Public Works and Economic Stability, Journal of Political Economy 57: 299; August 1949.

<sup>2</sup> Excluding farm and public utility construction.

Source: For all but residential construction, worksheets of the Construction Statistics Division, Department of Commerce. Residential derived from Department of Commerce, Construction and Construction Materials, January 1948, pp. 8-15.

**EXHIBIT D-3. ROSEVILLE SCHOOLS, INDEPENDENT SCHOOL DISTRICT NO. 623, STATE OF MINNESOTA**

**LABOR-MATERIAL BREAKDOWN,<sup>1</sup> BRIMHALL ELEMENTARY SCHOOL**

**Facilities**

Sixteen classrooms, 28 by 32 feet each.  
Combination lunchroom-gymnasium, including storage rooms, stage, 52 by 94 feet.  
Kitchen and auxiliary rooms, 30 by 52 feet.  
Office suite, 30 by 32 feet.  
Lavatories, 30 by 32 feet.  
Auxiliary rooms for library, and so forth, 16 by 104 feet.

Boiler room, 30 by 42 feet.  
Corridors, 12 by 604 feet.  
Total, 38,696 square feet.

(NOTE.—Office suite, gymnasium, kitchen, boiler room, and auxiliary spaces planned for eventual sized school of 30 classrooms plus 3 kindergartens and primary playroom. It should be noted that the costs detailed in this exhibit do not include such items as site acquisition, furniture, and architects' fees. On the other hand, bond and preliminary expense and site improvement (the latter involving 5 percent of the total cost) are included.)

	Labor	Material
<b>ELECTRICAL CONTRACT</b>		
1. General and special conditions (legal, insurance, etc.)		\$500
2. Conduit and fillings	\$4,226	3,080
3. Outlet boxes and fillings	1,039	507
4. Power and lighting panel	340	2,519
5. Wire and cable	1,768	1,240
6. Motor and equipment connections	179	229

<sup>1</sup> Supplied through the courtesy of Emmet D. Williams, superintendent of Roseville Schools.

	Labor	Material
<b>ELECTRICAL CONTRACT—Con.</b>		
7. Electric service	\$526	\$3,863
8. Wiring devices	319	465
9. Light fixtures	2,094	9,563
10. Lamps	317	752
11. Clock and program system	233	1,870
12. Fire alarm system	234	1,504
13. Sound system	125	1,678
<b>Total</b>	<b>11,400</b>	<b>29,270</b>
<b>PLUMBING AND HEATING CONTRACT</b>		
1. Exterior utility service	1,584	1,703
2. Sanitary drain system	4,950	3,000
3. Rainwater drain system	2,000	1,828
4. Water supply	2,350	4,300
5. Water heater	320	1,240
6. Hot water circulating pumps	240	200
7. Gas piping	160	280
8. Thermal insulation	1,718	2,186
9. Plumbing fixtures	2,776	3,600
10. Boiler and breeching	1,695	3,864
11. Oil burner	1,650	6,850
12. Vacuum pump	200	1,200
13. Radiation	2,500	3,600
14. Unit heaters	400	1,000
15. Valves, traps, and strainers	200	1,500
16. Piping	400	5,259
17. Insulation (piping)	1,350	900
18. Temperature controls	5,100	9,900
19. Refrigeration	425	1,345
20. Sheet metal work	4,100	1,300
21. Registers, grills, and diffusers	80	218
22. Fan units	375	4,900
23. Painting	695	385
<b>Total</b>	<b>35,268</b>	<b>60,558</b>
<b>GENERAL CONTRACT</b>		
1. Bond and preliminary expense	1,628	4,229
2. Excavations and ground and site work	11,460	12,990
3. Forms in place	6,228	7,907
4. Reinforcing of steel and mesh	1,262	8,271
5. Concrete	4,521	19,019
6. Structural steel	3,126	11,980
7. Steel joists	2,168	8,858
8. Steel roof deck	2,397	8,000
9. Acoustical desk	3,366	6,251

	Labor	Material
<b>GENERAL CONTRACT—Con.</b>		
10. Dampproofing and water-proofing	\$783	\$783
11. Face, common, and glazed brick	6,238	4,451
12. Standard concrete block	9,230	5,358
13. Glazed tile	10,380	8,228
14. Miscellaneous metal	2,412	4,484
15. Ornamental metals	1,238	4,213
16. Aluminum vent house	1,059	1,241
17. Hollow metal frames and doors	912	4,955
18. Metal windows	4,530	9,592
19. Sheet metal, roofing, and roof insulation	5,638	16,909
20. Carpentry	4,112	1,290
21. Millwork	18,840	18,851
22. Caulking and weather stripping	628	942
23. Lathing and plastering	2,180	2,702
24. Ceramic tile and marble	1,150	1,102
25. Composition floor covering	2,098	4,894
26. Glass, glazing	1,859	5,567
27. Acoustical treatment	3,010	6,197
28. Finish hardware	2,160	5,894
29. Miscellaneous equipment	368	1,333
30. Folding door	440	\$165
31. Folding stage and stairs	310	1,789
32. Basketball backstops	92	602
33. Insulated storage room	268	751
34. Kitchen equipment	2,078	18,602
35. Painting and decorating	4,164	1,302
<b>Total</b>	<b>121,933</b>	<b>219,702</b>
<b>Grand total</b>	<b>168,601</b>	<b>309,530</b>

NOTE.—Since the heating system and lead-in wiring for electrical service for the initial 16-classroom Brimhall Elementary School Building are sized for an eventual 33-room school, the heating and electrical work costs are somewhat higher than normal. Superintendent Williams states: "Additional construction to this building would run about \$1 a square foot less than the initial construction due to the fact that the heating and electrical work would be a smaller proportion of the total. The general construction cost per square foot would be very comparable to the cost of the original building and the cost percentages for the material used would be similar" (letter to the National Education Association, dated Apr. 15, 1958).

**EXHIBIT D-4.—Conversion of labor-material cost breakdown, Brimhall Elementary School (Minnesota) into an illustrative expenditure breakdown per \$100,000,000 of school construction.<sup>1</sup>**

Item	Labor		Materials		Total	
	Amount	Percent	Amount	Percent	Amount	Percent
1	2	3	4	5	6	7
<b>Electrical contract:</b>						
1. General and special conditions			\$104,574	0.16	\$104,574	0.11
2. Conduit and fillings	\$883,858	2.50	769,663	1.19	1,653,521	1.65
3. Outlet boxes and fillings	217,305	.62	106,038	.16	323,343	.32
4. Power and lighting panel	71,110	.20	526,843	.81	597,953	.60
5. Wire and cable	369,773	1.05	447,576	.69	817,349	.82
6. Motor and equipment connections	37,437	.11	47,895	.08	85,332	.09
7. Electric service	110,012	.31	807,938	1.25	917,950	.92
8. Wiring devices	66,718	.19	97,254	.15	163,972	.16
9. Lighting fixtures	437,955	1.24	2,000,079	3.09	2,438,034	2.44
10. Lamps	66,300	.19	157,279	.24	223,579	.22
11. Clock and program system	48,731	.14	391,106	.61	439,837	.44
12. Fire alarm system	48,941	.14	314,558	.49	363,499	.36
13. Sound system	26,144	.07	350,950	.54	377,094	.38
<b>Total</b>	<b>2,384,284</b>	<b>6.76</b>	<b>6,121,753</b>	<b>9.46</b>	<b>8,506,037</b>	<b>8.51</b>
<b>Plumbing and heating contract:</b>						
1. Exterior utility service	331,290	.94	356,178	.55	687,468	.69
2. Sanitary drain system	1,035,281	2.94	627,443	.97	1,662,724	1.66
3. Rainwater drain system	418,295	1.19	382,322	.59	800,617	.80
4. Water supply	491,497	1.39	899,335	1.39	1,390,832	1.39
5. Water heater	66,927	.19	259,343	.40	326,270	.33
6. Hot water circulating pumps	50,195	.14	41,829	.07	92,024	.09
7. Gas piping	33,464	.09	58,561	.09	92,025	.09
8. Thermal insulation	359,316	1.02	457,197	.71	816,513	.82
9. Plumbing fixtures	580,594	1.65	752,932	1.16	1,333,526	1.33
10. Boiler and breeching	354,505	1.01	808,147	1.25	1,162,652	1.16
11. Oil burner	345,094	.98	1,432,662	2.21	1,777,756	1.78
12. Vacuum pump	41,830	.12	250,977	.39	292,807	.29
13. Radiation	522,869	1.48	752,932	1.16	1,275,801	1.28
14. Unit heaters	83,659	.24	209,148	.32	292,807	.29
15. Valves, traps, and strainers	41,830	.12	313,722	.49	355,552	.36
16. Piping	83,659	.24	1,099,908	1.70	1,183,567	1.18
17. Insulation (piping)	282,349	.80	188,233	.29	470,582	.47
18. Temperature controls	1,066,653	3.02	2,070,562	3.20	3,137,215	3.14
19. Refrigeration	88,888	.25	281,304	.43	370,192	.37
20. Sheet metal work	857,506	2.43	271,892	.42	1,129,398	1.13
21. Registers, grills, diffusers	16,732	.05	45,594	.07	62,326	.06
22. Fan units	78,430	.22	1,024,824	1.58	1,103,254	1.10
23. Painting	145,358	.41	80,522	.12	225,880	.23
<b>Total</b>	<b>7,376,221</b>	<b>20.92</b>	<b>12,605,567</b>	<b>19.56</b>	<b>20,041,788</b>	<b>20.04</b>

<sup>1</sup> It should be noted that the costs detailed in this exhibit do not include such items as site acquisition, furniture, and architects' fees. On the other hand, bond and

preliminary expense and site improvement (the latter involving 5 percent of the total cost) are included.



EXHIBIT D-4.—Conversion of labor-material cost breakdown, Brimhall Elementary School (Minnesota) into an illustrative expenditure breakdown per \$100,000,000 of school construction—Continued

Item 1	Labor		Materials		Total	
	Amount 2	Percent 3	Amount 4	Percent 5	Amount 6	Percent 7
General contract:						
1. Bond and preliminary expense	\$340,492	.97	\$884,486	1.37	\$1,224,978	1.23
2. Excavations and ground and site work	2,396,833	6.80	2,716,829	4.20	5,113,662	5.11
3. Forms in place	1,302,572	3.69	1,653,731	2.56	2,956,303	2.96
4. Reinforcing of steel and mesh	263,944	.75	1,729,861	2.67	1,993,805	1.99
5. Concrete	945,557	2.68	3,977,780	6.14	4,923,337	4.92
6. Structural steel	653,796	1.85	2,505,589	3.87	3,159,385	3.16
7. Steel joists	453,432	1.29	1,852,630	2.86	2,306,062	2.31
8. Steel roof deck	501,327	1.42	1,673,182	2.59	2,174,509	2.17
9. Acoustical desk	703,991	2.00	1,307,382	2.02	2,011,373	2.01
10. Dampproofing and waterproofing	163,763	.46	163,763	.25	327,526	.33
11. Face, common, and glazed brick	1,304,663	3.70	930,917	1.44	2,235,580	2.24
12. Standard concrete block	1,930,433	5.48	1,120,613	1.73	3,051,046	3.05
13. Glazed tile	2,170,953	6.16	1,720,867	2.66	3,891,820	3.89
14. Miscellaneous metal	504,464	1.43	937,818	1.45	1,442,282	1.44
15. Ornamental metals	258,925	.73	881,139	1.36	1,140,064	1.14
16. Aluminum vent house	221,487	.63	259,552	.40	481,039	.48
17. Hollow metal frames and doors	190,743	.54	1,036,327	1.60	1,227,070	1.23
18. Metal windows	947,439	2.69	2,006,145	3.10	2,953,584	2.95
19. Sheet metal, roofing, and roof insulation	1,179,175	3.34	3,536,478	5.46	4,715,653	4.72
20. Carpentry	860,015	2.44	299,801	.42	1,159,816	1.13
21. Millwork	3,940,343	11.17	3,942,643	6.09	7,882,986	7.88
22. Caulking and weather stripping	131,345	.37	197,017	.30	328,362	.33
23. Lathing and plastering	455,942	1.29	555,117	.87	1,011,059	1.02
24. Ceramic tile and marble	240,520	.68	230,481	.36	471,001	.47
25. Composition floor covering	438,792	1.25	1,023,569	1.58	1,462,361	1.46
26. Glass, glazing	388,805	1.10	1,164,325	1.80	1,553,130	1.55
27. Acoustical treatment	629,535	1.79	1,295,252	2.00	1,924,787	1.92
28. Finish hardware	451,759	1.28	1,233,344	1.91	1,685,103	1.69
29. Miscellaneous equipment	76,966	.22	279,003	.43	355,969	.36
30. Folding door	8,366	.02	34,509	.05	42,875	.04
31. Folding stage and stairs	64,836	.18	374,165	.58	439,001	.44
32. Basketball backstops	19,242	.06	125,907	.19	145,149	.15
33. Insulated storage room	56,052	.16	157,070	.24	213,122	.21
34. Kitchen equipment	434,609	1.23	3,890,566	6.01	4,325,175	4.33
35. Painting and decorating	870,891	2.47	272,310	.42	1,143,201	1.14
Total	25,502,007	72.32	45,950,168	70.98	71,452,175	71.45
Grand total	35,262,112	100.00	64,737,488	100.00	100,000,000	100.00

NOTE.—Since the heating system and lead-in wiring for electrical service for the initial 16-classroom Brimhall Elementary School building are sized for an eventual 33-room school, the heating and electrical work costs are somewhat higher than normal. Superintendent Williams states: "Additional construction to this building would run about \$1 square foot less than the initial construction due to the fact that

the heating and electrical work would be a smaller proportion of the total. The general construction cost per square foot would be very comparable to the cost of the original building, and the cost percentages for the material used would be similar." (letter to NEA, dated Apr. 15, 1958).

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

IN LOCAL DISTRICTS MANY PEOPLE PAY TAXES ON WHAT THEY OWE RATHER THAN WHAT THEY OWN

Mr. PATMAN. Mr. Speaker, this bill provides that the Federal Government shall carry forward its Federal responsibility in assisting local school districts which are considered to be impacted areas. It would certainly be wrong to cause the local districts to assume this burden. I desire to invite your attention to the fact that the most burdensome tax that we have in the United States of America is the local property tax or the ad valorem tax which is normally used to pay local expenses, particularly the expenses of school districts. The people who pay taxes in a local school district, many of them, pay taxes not on what they own, but they pay taxes on what they owe. Consider, for instance, many people who buy their homes on long terms. They pay a small down payment and they owe for the balance. This property is assessed for the purposes of taxation as though they owned it when, as a matter of fact, they only own a small part of it. The fact of the matter is that they owe for the property, and when they pay a tax on it, they pay taxes on what they owe rather than on what they own. Therefore, we should certainly, when we have a Federal responsibility to a local school

district, we should certainly assist that district rather than expect the local district to pay the most burdensome taxes on earth in order to carry out a Federal responsibility.

#### MONOPOLY A CONTRIBUTING FACTOR TO JUVENILE DELINQUENCY

In connection with local school districts and local operations, I have a feeling, and the question came up in the Committee on Banking and Currency this morning, that there is a direct relationship between juvenile delinquency and our present monopoly problems. Young people do not have the opportunities that they have had in the past. This Congress, I believe, should consider adopting a firm policy of encouraging and preserving and protecting businesses that can be operated by local people. In every community there are people who are able, and anxious and willing to carry on certain local-type businesses. We should encourage them in every way possible and certainly we should make it just as difficult as possible for a large concern to go into the local community and squeeze out these local people. Parents owning a local business can give their children more encouragement than parents denied that opportunity. I believe monopoly is directly related to the juvenile-delinquency problem. Young people looking into the future, as they do, if they are not clear as to what they can do, and if they are not clear as to those opportunities that are being made

available to them, as they have existed in the past, and if they are being denied opportunities and being restricted and deterred in their ambitions, it will possibly lead to confusion and bewilderment and in some instances to actual desperation. These conditions may thereby contribute to juvenile delinquency. Seriously, I refer to that as one factor that relates to and probably encourages juvenile delinquency. I desire to endorse this bill, and I desire to commend the gentleman from West Virginia for putting forth the time and effort necessary in order to get this bill on the floor of the House and urging its final adoption here in the House of Representatives.

Mr. Speaker, it is fitting and appropriate that the distinguished gentleman from Mississippi [Mr. COLMER], present this rule to the House of Representatives for the consideration of these bills. Mr. COLMER's work in behalf of this proposal has been recognized by all the Members of the House for many years. In fact, he was one of the original sponsors and supporters of this type aid to the local school districts. We are all indebted to Congressman COLMER for his very fine and effective work in connection with Public Law 815 and Public Law 874 of the 81st Congress and for the enactment of the various amendments to these laws including the ones before us today.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. SHELLEY], and I ask unanimous consent that he may speak out of order.

The SPEAKER pro tempore (Mr. THOMPSON of Texas). Without objection, it is so ordered.

There was no objection.

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, I take the floor at this time to speak out of order about a matter that has developed in the city of San Francisco concerning the Immigration and Naturalization Service, about which the papers of the country, particularly in our area, have been full, headlines and everything else.

The subject of my remarks concerns a gentleman named William Heikkila, born in Finland, and brought to this country by his parents who were residents of this country when he was 2½ months old. Mr. Heikkila's parents at the time of his birth were visiting their native Finland. Heikkila is now 52 years of age, still not a citizen of the United States.

Mr. Heikkila, by his own admission, was a member of the Communist Party from 1929 to 1939, and by the records of the Un-American Activities Committee, the FBI and other agencies of government has a record of communistic activities ever since that time.

I want to say here and now I make no defense of Mr. Heikkila's background. I have no sympathy for his background and his admitted former connections. However, I have no sympathy for the way in which the Immigration Department handled this situation. For 10 years they have been trying to deport this man, and the case has been pending before the Federal Court. On last Friday afternoon, as he left his place of employment, he was picked up by two officers of the Immigration Service, pushed into an automobile, taken nobody knows where, denied the right to talk to an attorney or talk to his wife. He was put into an Immigration Service airplane that night, which had been brought up from Southern California, and was secretly flown to Canada. He was held in custody by our Immigration people and the Canadian authorities Friday night and Saturday in Canada. U. S. Immigration agents were with him and therefore, he was in the custody of the arresting officers. On Saturday sometime he was put on a plane and sent to Amsterdam, and transhipped from Amsterdam to Helsinki, Finland. His wife could not get an explanation of where he was, nor could his attorney.

This I think smacks of the system that we opposed in Germany, Italy, and Japan in World War II, and to which we are opposed in Russia and the Iron Curtain countries today.

The district immigration director for the San Francisco area is a personal friend of mine, Mr. Bruce Barber. He is an able man. I cannot conceive of his instituting such a flagrant plan, which appears to be a flaunting of law and the rights of persons to due process

under the law to simply "get" a man against whom the immigration authorities figure they have a pending order outstanding.

The reports I have are that Mr. Barber was advised or directed to take these steps by "some" superiors of his in the immigration service. It should be ascertained if this is so or not. General Swing, rather Commissioner Swing, of the immigration service since has changed his mind evidently and for this action I commend him. Yesterday afternoon he ordered the man brought back from Finland and produced in the Federal Court in San Francisco on Friday morning. On Tuesday, Judge Edward Murphy, of the Federal Court, castigated the Immigration Service and ordered the man produced in court.

Mr. Speaker, I think that this is a type of thing which Congress cannot tolerate and should not tolerate. It gives no prestige to our free America. It gives those who are trying to break down America a chance to shoot at us, to snipe at us. By this type of police action we give those individuals and people throughout the world who dislike America and disclaim our freedom a chance to not only criticize us but ridicule us.

Mr. Speaker, if this can happen to a man, no matter how bad his background may have been, but a man who is in this country and who has a case pending before our United States courts, it can happen to you or to me or any one of us.

Mr. Speaker, none of us want to see in this country the establishment of any system which will allow authorities to knock on our door in the middle of the night or, as in this instance, accost us on the street and spirit us away without an opportunity to consult a lawyer or advise our family of our circumstances. In the name of all that freedom means this must be stopped and stopped now. I think that the proper committee of this House, the Subcommittee on Immigration of the Committee on the Judiciary, should go into this and should find out just who gave the orders in this instance; I feel the Congress should, on the record, go into all the details; also how much it has cost and will cost the people of the United States for this stupid move, and whether this is standard deportation procedure with the Immigration Service.

This is not the first time this has happened. Two years ago the United States Attorney instructed the immigration people of San Francisco to send squads up through Chinatown and pick up any Chinese who could not produce out of their pockets some documentation that they were legally here. I trailed one of those squads for 3 hours and saw the Gestapo methods that they used, pushing people against the wall, and if they did not have the proper papers in their pocket, they threw them into the car. I took that matter up with the gentleman from Pennsylvania [Mr. WALTER] and in 2 days it was stopped. But here we have another occurrence of excessive police practice, which I think certainly should be looked into by the House, and

whoever is responsible should be told that this is not the American way of enforcing law, and this the people and the Congress will not stand for.

Mr. Speaker, I notice the gentleman from New York [Mr. Celler], chairman of the House Committee on Judiciary, and the gentleman from Pennsylvania [Mr. WALTER], chairman of the Judiciary Subcommittee on Immigration and Naturalization, on the floor. They are both able gentlemen and fair men with a regard for American freedom. I herewith formally request the chairman of the Judiciary Committee and the Subcommittee on Immigration and Naturalization to make an immediate and full investigation of this situation. Let us determine for the record who it was that issued this order for a kidnapping. Let us determine if this is standard operating procedure of the Immigration Service. I am sure that the Congress of the United States will want to know these things and that the people of the country will want such practices terminated now.

I include for the RECORD and the use of the Judiciary Committee the following news accounts and editorials:

[From the San Francisco Call Bulletin of April 21, 1958]

WIFE APPEALS TO ENVOY IN DEPORTATION—IMMIGRATION AIDS REFUSE TO DISCLOSE MAN'S WHEREABOUTS

SAN FRANCISCO, April 20.—Phyllis Heikkila, 38, wife of a Finnish-born 52-year-old draftsman, decided today to appeal to the Finnish Ambassador in Washington to ascertain the whereabouts of her husband.

William Heikkila was seized by United States Immigration authorities when he finished work Friday afternoon. He has not been seen since by his family and Immigration authorities here said he had been deported to Finland because he was a Communist in Minnesota during the depression.

Heikkila was born in Finland, while his naturalized American parents were there on a business trip, but was brought to the United States when he was 2½ months old. He has resided here since, but never has become naturalized.

#### MAY BE IN CANADA

There was a possibility he had been rushed to the Canadian border and put aboard a Helsinki-bound plane in Canada. United States airlines representatives here said they had no such person aboard any of their European-bound planes since Friday.

Heikkila's attorney obtained an order from a Federal judge restraining Immigration authorities from deporting him. But the order is worthless if he has already been deported.

Mrs. Heikkila said Immigration Service agents called at her home yesterday and told her she could pack a 40-pound bag, which would indicate tourist passage has been booked for her husband.

She said he had no money and that she was trying to get \$50 to him in some manner. She said she was told she could send the money to Finnishair, a cable address, but that Western Union had refused to accept the money transfer because Finnishair is a foreign cable address.

#### COURT ORDER ASKED

Meanwhile Lloyd McMurray, Heikkila's attorney, asked a Washington, D. C., attorney to obtain a court order there requiring the United States Attorney General to return Heikkila to San Francisco.

Bruce Barber, San Francisco district Immigration director, has not disclosed, if he



knows, the whereabouts of the draftsman. He has said merely that Heikkila is "not with us."

Under United States immigration laws he does not have to go beyond that point if he chooses, unless he is in violation of the Federal court order to release Heikkila if he is in custody of United States Immigration authorities.

[From the San Francisco Chronicle of April 21, 1958]

#### UNITED STATES JUDGE ORDERS INQUIRY ON SNEAK ALIEN DEPORTATION

Federal Judge Edward P. Murphy today ordered Bruce Barber, Immigration Service Director here, to appear to explain why a San Francisco man was seized on the street Friday and forced aboard a plane bound for Finland. William Heikkila, 52, a draftsman, of 2341 Chestnut Street, was due to arrive in Helsinki late tonight.

Heikkila, an admitted former member of the Communist Party, is an alien, brought to this country from Finland when he was 2 months old.

He never applied for citizenship, immigration officials said.

Barber today refused to comment on Heikkila's treatment Friday.

But he noted that "this was not the first time such a speedy method had been used," citing the deportation of Mobster Lucky Luciano and New York Communist Emma Goldman as examples.

Barber said he conferred with United States Attorney Lloyd H. Burke and his assistant, Elmer Collett, before ordering the deportation action.

"I was satisfied after discussing the case with them that the action was proper."

Heikkila's wife, Phyllis, 38, today talked to two Congressmen, JOHN F. SHELLEY and JOHN E. MOSS, both of California, and the White House.

She said she talked to a secretary in the office of Sherman Adams, Presidential Assistant.

"I was kissed off very smoothly," she said. "I was thanked for all the details, but he said it was not a matter for the White House."

Heikkila's attorney, Lloyd McMurray, conceded that he and Mrs. Heikkila were fighting a tough time schedule in their efforts to get Heikkila back into this country.

Once in Finland, it will be difficult for United States courts or the State Department to order the draftsman's return, McMurray indicated.

He described the Immigration Service's handling of the case "as just like Nazi Germany."

Washington insisted, however, Heikkila was legally deported, on grounds of membership in the Young Workers Communist League in 1926, in the Workers Communist Party in 1928, and the Communist Party itself later.

Heikkila has admitted being a member of the party from 1928 to 1939, but maintained he did so only to fight for antidepression measures of higher wages and farm mortgage insurance.

Justice Department officials said after Heikkila was picked up, he was placed aboard a special Immigration Service plane and flown nonstop to Vancouver, British Columbia.

At 1 p. m. yesterday, Canadian officials hustled him aboard a Canadian Pacific plane for Amsterdam, where he transferred to a Finnish plane for Helsinki.

McMurray pointed out that Heikkila had a motion pending in Federal court here in his 11-year battle against deportation. It was to be heard May 2.

"But apparently the Government didn't want to give him his day in court," McMurray said.

Merrill R. Toole of San Pedro, acting regional immigration commissioner, admitted about as much.

"This case has been pending for 11 years and we have been anxious to deport him," Toole said.

"We didn't want any further delaying tactics or administrative proceedings."

A deportation order was issued in December 1947. A hearing was held in June 1949, and a second in 1951.

Heikkila was ruled deportable on July 16, 1951, and the Board of Immigration endorsed the finding on January 11, 1952. On April 27, 1953, the Supreme Court dismissed his appeal, but he married an American citizen that December and asked for a rehearing.

It was denied on March 2, 1956, and last week Judge Murphy rejected an appeal.

But since Heikkila's deportation was first ordered, the Supreme Court has outlined new procedures in such cases.

In a case decided last December, the high tribunal, McMurray said, ruled that admission of former Communist association isn't meaningful and isn't sufficient to boot him from the country.

It was on just such an admission that the Justice Department is basing its deportation order, McMurray declared.

"There is not a shred of evidence he ever engaged in anything harmful to the United States."

"But the Immigration Service insisted that he failed to meet the burden of proof."

McMurray said Heikkila was asked at one hearing if he actually had defected from communism.

"What do you mean by communism?" he asked.

"We have to have your answer to that," was the reply.

"All I can say," Heikkila said, "is that the Communist Party meant fighting for adequate relief, fighting for people kicked out of their homes, fighting for a better life for everybody."

"I haven't given up those ideals," he maintained.

Heretofore, Heikkila has been sheltered against deportation by restraining orders from Federal court.

[From the San Francisco Call Bulletin of April 21, 1958]

#### JUDGE CALLS UNITED STATES AIDS GESTAPO

Federal Judge Edward P. Murphy, in court here today, accused District Director of Immigration Bruce Barber of Gestapo tactics in the deportation of William Heikkila to his native Finland.

He also told Heikkila's attorney, Lloyd E. McMurray, "If there's any way possible to get Mr. Heikkila back I want to do it, but I need your assistance."

The judge ordered Barber to return to court at 9:30 a. m. Friday to show cause why he should not be held in contempt for the deportation.

#### EX-COMMUNIST

Heikkila, 52, a San Francisco draftsman, is a former Communist who has lived in the United States since he was 2½ months old. He has never been naturalized.

Judge Murphy told McMurray:

"I have no sympathy for your client or for anything he represents or for any alleged Communist but by the same token this man is entitled to his day in court."

"I think the procedure smacks of the Gestapo, the rack, the thumbs, and the screw. I don't approve of it."

"This is a government of laws, not of men. Let's try to keep it that way."

#### ISSUES ORDER

Judge Murphy's denunciation of Barber's tactics were voiced about an hour after he had ordered Barber and Assistant United States Attorney Charles Elmer Collett to appear before him within the hour to dis-

close everything that had happened to Heikkila.

Earlier in the day Heikkila's wife, Phyllis, 38, sought White House and Congressional intervention.

She said that Chairman JOHN E. MOSS Jr., of the Congressional Subcommittee on Government Information, promised her husband's case would be taken up at a meeting of that committee later in the day.

Heikkila was seized outside his office here Friday and flown in an Immigration Service plane to Vancouver, where he was placed aboard a commercial airliner for Amsterdam, Holland.

When Barber appeared before Judge Murphy he told McMurray that Heikkila was on Finn air flight No. 852 which left Amsterdam at 8:15 a. m. today, Pacific standard time.

Heikkila had only the clothes on his back, 30 cents in his pockets and was given no chance to phone his wife or his lawyer when he was seized, his wife said.

Meanwhile, pending before Judge Murphy was McMurray's motion to modify the findings and conclusions of Murphy's deportation order of Heikkila returned April 3.

#### JUDGE ASKS

Judge Murphy had set May 2 for arguments on McMurray's motion.

When Judge Murphy asked Barber if there was any reason for this summary action in deporting Heikkila, Collett interjected.

"It is customary in these types of cases to obtain a stay of deportation. I believe that when there's no order and we are no longer restrained we are under obligation to go ahead."

But McMurray contends he had an understanding with the Immigration Service and the United States attorney's office that Heikkila would not be deported at least until after the May 2 hearing.

"What jurisdiction have we over him now?" Judge Murphy asked.

McMurray replied, "None," but pointed out that if reciprocal agreements the Immigration Service has with Canada, and less formally with Holland, can send him to Finland, possibly he can be brought home by the same arrangements.

#### TEXAS CASES

Heikkila's attorney said there were some cases in Texas which will bear out his contention that Barber was in contempt of court.

He said he will cite the authorities in the memorandums he will file prior to Friday's contempt order hearing.

"Can you get these (citations) for me," Judge Murphy urged McMurray. "I need this assistance."

The judge concluded the hearing by saying, "I'm going to do some work on this of my own."

At Washington, a Justice Department spokesman said, "It is the Government's position there was no legal impediment to the deportation."

#### DEFENSE VIEW

But in the first of today's hearings here, McMurray argued that although the judge has decided the case against Heikkila "and may decide my appeal adversely, I have the right to have the status quo maintained until a decision by the court."

"There's no question about it," Judge Murphy agreed. "From a strictly legal point of view, I think this man is entitled to his appeal. I don't care who he is or what his case is."

McMurray told Judge Murphy that Heikkila's Communist activities while he was a member of the party during the depression were confined mostly to trying to ease unemployment, avert home mortgage foreclosures, and improving the lot of the people.

"I recall that evidence very vividly," Judge Murphy retorted. "I also recall something

else. At no time did Heikkila ever repudiate or give evidence he had repudiated the ideology the Communist Party espouses."

When Collett told the judge he had been at a "Scout Camporee since Friday afternoon" and didn't know much about the case because the first he had seen of it was in the papers yesterday afternoon, Murphy snapped:

"You'd better find out."

From her home at 2341 Chestnut Street Mrs. Heikkila phoned the White House this morning in hope of reaching some aide who would carry her appeal to the President.

She said she finally was turned over to a man named Raab, who she believes, is secretary to Sherman Adams.

[From the San Francisco Chronicle of April 21, 1958]

#### DEPORTATION CASE—HOW UNITED STATES SPIRITED ALIEN OUT OF SAN FRANCISCO—SPECIAL PLANE WAS USED

(By William Keller)

An Immigration Service airplane was used in the cloak-and-dagger deportation of William Heikkila shortly after he was picked up Friday night, the Chronicle learned yesterday.

Meanwhile, attorneys for the 52-year-old "undesirable alien" said they were prepared to ask the Federal district court here to hold the local immigration chief in contempt.

The first sketchy details of what happened to the confessed ex-Communist came more than 48 hours after agents met him outside his office and drove away with him in a black limousine.

#### SAN PEDRO WORD

Local immigration authorities continued to keep closemouthed in the case other than to say "he's en route to Finland."

But Merrill R. Toole, of San Pedro, acting regional immigration commissioner, was able, after 7 hours of phone calls, to shed a little light.

He said Heikkila was put aboard an Immigration Service airplane shortly after he was taken into custody and was "moved directly to Canada."

#### SOURCE OF PLANE

He explained the Service has "a small fleet" of C-46's and C-47's—twin-engine transport planes—based at El Centro and at Brownsville, Tex., primarily for flying illegal Mexican "wetback" laborers to border points.

One of these planes, manned by an Immigration Service pilot, came to San Francisco for Heikkila, Toole said.

Toole reported Heikkila was turned over to Canadian officials immediately on arrival at "a city in eastern Canada" under a reciprocal immigration agreement.

#### HELSINKI BOUND

Toole said the draftsman was placed aboard a commercial aircraft by Canadian authorities "sometime Sunday" and will arrive in Helsinki at noon today.

He could not say why the immigration director here, Bruce Barber, had been unwilling to give these facts to Heikkila's wife or attorney.

Heikkila's attorney, Lloyd McMurray, said he would ask the district court this morning to subpoena Barber to appear and tell the facts in the case "under oath."

"We can't tell where Heikkila is or if he is in Barber's custody," he said. "We can't tell what the facts are. That's what we want to find out."

#### CONTEMPT MOTION

Also, he said, he would ask the court to find Barber in contempt for taking Heikkila out of the court's jurisdiction while the case was pending.

Deporting of Heikkila climaxed a 10-year effort to put him out of the country.

He was born in Finland while his naturalized American parents were there on a business trip. They brought him back with them when he was 2½ months old, but he was never naturalized.

At his first deportation hearing in 1948, Heikkila acknowledged having been a member of the Communist Party in Minnesota during the depression years. But he insisted he only worked for unemployment compensation and against foreclosing of farm mortgages.

#### STATUS OF CASE

The case was in and out of the courts and what the Immigration Service considered a final appeal was refused on April 3. A new motion was to be heard May 2, but Barber said "no restraining order was outstanding."

That is the point under which McMurray will ask that contempt charges be levied.

Within a day after Heikkila was hustled away from in front of his business office, McMurray had armed himself with a new court order, signed by District Judge George B. Harris, for his client's release.

But immigration authorities indicated he was by then already out of their jurisdiction.

#### LAWYER'S VIEW

McMurray said, however, that the Canadian authorities would be included among "all persons acting in concert" with Barber, as the order is worded, and the deportation restraint would still be effective.

Judge Harris said "That would be a legal point which would perplex the Supreme Court of the United States."

As the hours turned into days with no word from her husband Phyllis Heikkila, 38, grew more distraught.

"If only they'd tell me where he is now," she pleaded, "or let him telephone me."

#### KIDNAP CHARGED

She charged the Government had kidnapped her husband. "It's a shocking, frightful thing. Something like this is inconceivable in this country. It's savage and cruel."

Others, too, criticized the immigration authorities for their way of handling the case.

#### BESIG'S COMMENT

"It's almost indecent," said Ernest Besig, executive director of the American Civil Liberties Union. "This is typical of Communist procedure—in acting that the end justifies the means. Public servants should behave with dignity, decency, and fair play. The immigration department has neglected all those."

Mrs. Heikkila, waiting at the family home at 2341 Chestnut Street, learned yesterday that money she wired to her husband has not been delivered.

Barber told her she could send money to her husband at Finn Air, a cable address in Helsinki, but Western Union refused to accept the risk of the money transfer, she said.

"I guess I'll try that anyway," she said. "He didn't have over a quarter with him when he left the house on Friday."

[From the Washington Daily News of April 22, 1958]

#### CONGRESSMAN AND JUDGE CHARGE GESTAPO METHODS—DEPORTATION RAPPED

Representative JOHN F. SHELLEY, Democrat, of California, today protested to the United States Immigration Service about methods it used in deporting William Heikkila, Finnish-born resident of San Francisco, an alleged Communist.

Representative SHELLEY made clear here that he has no use for Heikkila, or anything he stands for. But he informed Gen. J. M. Swing, Commissioner United States Immigration and Naturalization Service, that he does not intend to tolerate use of gestapo methods, and denial of basic civil rights in deportation cases.

Representative SHELLEY has also discussed the case with Chairman FRANCIS WALTER of the House Judiciary Subcommittee on Immigration. Representative WALTER has asked the Immigration Service for a full explanation of the case, and he told Representative SHELLEY that if the facts are as reported to him, he too believes there is something wrong in immigration service methods.

#### JUDGE IS CRITICAL

Federal Judge Edward P. Murphy of San Francisco also rapped the deportation, saying the deportation of the draftsman smacked of gestapo, rack and thumb screw.

But Immigration officials said their action in speedily deporting Heikkila, 52, was proper.

The White House apparently had no intention of intervening. Heikkila's wife, Phyllis telephoned the White House yesterday. She was told by Maxwell M. Rabb, secretary to the Cabinet, it was a matter for the Immigration Service.

Mr. Heikkila, now 52, who had lived in this country since he was 2½, was accused of having been a Communist between 1929 and 1930. He was given Immigration Service hearings in 1949 and 1950.

The Board of Immigration Appeals upheld his deportation in 1952. He appealed through the courts. In 1953 the Supreme Court turned him down, on grounds that his suit was filed through the wrong procedure.

That year he married an American woman. He said he had to support her, and under a special provision by Congress for such situations, he applied for suspension of the deportation order. He lost after more hearings.

He then filed suit in San Francisco Federal Court arguing that it had not been shown he had been more than a nominal party member.

Last week the court ruled against him, issuing finding of fact. His lawyers filed a motion to have the court issue more specific findings, on the basis of which they intended to appeal.

It was while this motion was pending that Immigration officials arrested him as he finished work Friday, flew him in their own plane to Canada, and from there sent him off by commercial airline to Holland and Finland.

[From the Washington Post and Times Herald of April 22, 1958]

#### JUDGE RAPS GESTAPOLIKE DEPORTATION

(By Warren Unna)

A Federal district court judge in San Francisco yesterday said the Immigration Service's handling of William Heikkila "smacks of the Gestapo, the thumbscrews, and the rack," and started legal proceedings to determine if the deported west coast draftsman could be returned from Finland.

Judge Edward P. Murphy said he held no particular sympathy for Heikkila, or any alleged Communists. He told Bruce Barber, director of the Immigration Service's San Francisco office, "This is a government of law, not of men, and we are going to try to keep it that way."

Barber had been given 90 minutes to get to court after Heikkila's wife sought the judge's help in finding out what had happened to her husband after two men bundled him from the office door into a waiting black sedan at the close of work Friday.

Barber said that Heikkila was already at his deportation point, Helsinki. A Justice Department spokesman here later confirmed this by declaring that Heikkila had been put down in his native land at 11 a. m. yesterday, Washington time.

Accounts of the court proceedings stated that Barber acknowledged he was aware of a May 2 court date regarding a procedural aspect of Heikkila's case when he had him flown out of the country Friday. And he acknowledged that he was aware that Heikkila



was still in Vancouver, British Columbia, 1,000 miles north of San Francisco, when he received a Federal judge's restraining order regarding the deportation Saturday afternoon.

The immigration official declared that he proceeded in both instances after first checking with Lloyd H. Burke, United States attorney in San Francisco.

It was then that Judge Murphy lectured Barber and told him that Heikkila was entitled to his day in court. He instructed Heikkila's attorney, Lloyd McMurray, to come back Wednesday with citations of authority for having Heikkila brought back to the United States, and set Friday for a hearing. He also promised to hear McMurray's motion that Barber be held in contempt of court.

Here is a chronology of Heikkila's case, as gathered from his attorney, Justice, and immigration officials and Congressional immigration authorities:

Heikkila was born in Finland 52 years ago to parents who were Finnish by birth, American by emigration, and shortly after the family's return to the United States, to become American citizens by naturalization.

Heikkila, according to his attorney, assumed that he too had become naturalized as a baby, but learned otherwise. He had his second papers ready for court approval when he became embroiled in a street scuffle—his attorney says quite by accident—and ended up in jail. Heikkila again applied for citizenship in 1946, but was stopped by a warrant for his deportation which Immigration issued the following year.

Heikkila admits being a member of the Workers Party, which became the Communist Party, from 1929 to 1939. His lawyer says it was a depression-time membership during which Heikkila fought for better social-welfare benefits in Minnesota.

The House Immigration Subcommittee also reports that Heikkila was a member of the Young Communist League, the International Workers Organization, and the American Committee for the Protection of the Foreign Born, all on the Attorney General's list of pro-Soviet groups.

Heikkila was given one hearing in 1949 and another in 1951 and declared deportable as a member of the Communist Party subsequent to his entry into this country. The Board of Immigration Appeals sustained this and the Supreme Court dismissed Heikkila's appeal in 1953.

In December 1953, Heikkila married a native-born American and then asked that his deportation be suspended because of his being espoused to a citizen. The Board of Immigration Appeals and the Federal District Court refused to reverse Heikkila's deportation on this ground.

Last week, however, Judge Murphy set May 2 to hear McMurray's objections to findings of fact which the judge had ordered Immigration to submit after he had already dismissed Heikkila's appeal.

Barber, meanwhile, had obtained a passport from the Finnish Embassy indicating Finland's willingness to accept its native-born. He had Heikkila flown by special immigration plane to Vancouver, held in the Canadian city's jail until Sunday and then flown by commercial plane to Helsinki via Amsterdam.

Barber says that Heikkila's last appeal had been dismissed and, in the absence of a court restraining order, he was compelled to execute Heikkila's long-delayed deportation.

Heikkila's attorney says that the period of appeal was still current when Barber had Heikkila whisked out of the country. He plans to cite the 1827 case of *Richard (Negro) v. Van Meter* in which a Washington Federal judge held a slaveowner in contempt for spiriting the slave away after learning that he had filed a motion with the court for his freedom.

In pressing her husband's case yesterday, Mrs. Heikkila put in long-distance telephone calls to both Maxwell M. Rabb, Secretary to the President's Cabinet, and Chairman JOHN E. MOSS, Democrat, California, of the House Government Information Subcommittee.

Rabb told Mrs. Heikkila the case was a matter for Immigration authorities. MOSS made a check with Immigration and said officials there agreed Mrs. Heikkila should not have been kept waiting until yesterday to learn the details of her husband's deportation route.

[From the Washington Post and Times Herald of April 22, 1958]

#### GESTAPO TACTICS

Short of opening up a concentration camp complete with gas chamber and crematorium, the Immigration Service could hardly have contrived anything more damaging to the United States than its sudden seizure and deportation of William Heikkila from San Francisco to his native Finland. The story has every earmark of totalitarianism gone berserk.

Because Heikkila, a child of naturalized American citizens who came to this country when he was 2½ months old, allegedly joined the Communist Party during the depression, he was ordered deported in 1947. For 11 years hearings and appeals have delayed enforcement of the order. On Friday afternoon, however, Immigration Service authorities arrested him as he was leaving his job, bundled him off across the Canadian border to Vancouver—without giving him a chance to set his affairs in order, pick up any belongings or even say goodbye to his wife—and put him on a plane for Helsinki where he arrived on Monday.

Assuming that the Immigration Service acted within its legal powers—assuming even, what seems to us extremely doubtful, that it makes sense to deport a law-abiding person for political heterodoxy 20 years ago—it is hard to find any justification whatever for the sadistic method in which Heikkila was handled. American justice is not so devoid of humanity that it must be executed in a manner which cannot fail to repel and horrify civilized people all over the world.

No doubt this nonsense, so far from reflecting the policy of the Department of Justice, stemmed from misguided zeal on the part of a particular Immigration official. If so, the Attorney General would do well to say so and rectify the blunder as expeditiously as possible. No useful purpose can be served by having this country emulate its enemies.

[From the San Francisco Chronicle of April 22, 1958]

#### THE 11-YEAR STRUGGLE—THEN KIDNAP

Here is the step-by-step history of Immigration Service attempts to deport William Heikkila, a native of Finland, brought here by his parents when he was 2½ months old:

1947

December: He was arrested with Nat Yanish, advertising manager of the People's World, and four others as undesirable aliens.

1948

February: Deportation hearings opened before a panel of Immigration Service inspectors.

December: Federal Judge George B. Harris refused to grant an injunction to call off the hearings, but they were postponed.

1949

June: The proceedings reopened before Chief Immigration Inspector Gilbert Gower. Heikkila testified he had been a Communist Party member from 1928 to 1939 when he quit to devote full time to the International Workers Order—described by the Attorney General as communistic.

His attorney, George Anderson, objected to the proceedings on grounds that Gower was prejudiced and could not act as a judicial officer under the Administrative Procedure Act of 1940. Gower overruled him.

1950

February: The hearings were suspended when the United States Supreme Court ruled the Immigration Service's hearing procedures were illegal because hearing officers acted as both investigators and prosecutors.

June: The case was reopened under Examiner Robert S. DeMoulin, but was immediately postponed when Heikkila's attorney objected on grounds that DeMoulin was prejudiced.

September: The Internal Security Act (McCarran Act) was passed over President Truman's veto. It provided for registration of Communists and prohibited entry into the United States (or deportation if already here) of anyone who had been a member of a totalitarian organization.

October: Heikkila, who had been at liberty under \$4,000 bail, surrendered under terms of the McCarran Act. He was held 2 days and then released under \$5,000 bail.

November: The deportation case opened before Milton T. Simmons, Immigration Service hearing officer and then was continued until January 2.

1951

January: Hearings concluded and Heikkila was ordered deported. Federal Court's restraining orders blocked his deportation while an appeal was made with the Commissioner of Immigration in Washington.

1952

January: Appeals were denied by the Immigration Service and Heikkila was notified that he had 6 months to leave the country. Heikkila carried the appeal to the United States Supreme Court.

1953

March: The Supreme Court ruled, five to two, that an alien can fight deportation by habeas corpus (the right to trial), but not by injunction proceedings, as Heikkila's attorney argued. Deportation was blocked by Court order.

1955

May: Heikkila surrendered in compliance with the Supreme Court decision of 1953. He was freed a few hours later when Federal Judge O. D. Hamlin ordered the Immigration Service to show cause why a writ of habeas corpus should not be issued.

June: Immigration Service offered its reasons for deporting Heikkila. A request for suspension on grounds he was married to a citizen was denied.

1956

February: Heikkila's appeal to the United States Immigration Service was denied and the deportation order was affirmed. He appealed again.

1958

April 3: Federal Judge Edward P. Murphy granted a Government motion to dismiss Heikkila's appeal. Heikkila's attorney offered a motion to amend the findings of fact in the case. Hearing on that motion was set for May 2.

April 18, 5:35 p. m.: Heikkila was met outside his office by two immigration agents, taken directly to the airport and flown from there on an Immigration Service plane at 6 p. m. He arrived at Vancouver at 11:30 p. m.

April 20, 1:50 p. m.: He departed Vancouver by nonstop Canadian Pacific airliner to Amsterdam, arriving there at midnight (PST).

April 21: He was due to leave Amsterdam for the last flight in his hurried journey—to Helsinki.

[From the San Francisco News of April 22, 1958]

**UNITED STATES BOWS—TO RETURN KIDNAPED SAN FRANCISCO MAN—ADMITS ERROR IN JUDGMENT**

The Immigration Service announced in Washington today that William Heikkila, 52-year-old San Francisco ex-Communist, would be permitted to return to the United States forthwith.

Heikkila, bitter about his abrupt arrest as he left work here Friday, vowed in his native Finland:

"I will fight with all the power I have to go home to America."

The Immigration Service deported Heikkila to Finland last week, defending its action as proper.

But today, Immigration Commissioner Joseph Swing said "an error in judgment was made."

"I am directing," Swing said, "that Mr. Heikkila be permitted to return to the United States forthwith to await further action by the (U. S. district) court."

Heikkila, a draftsman, was bitter about his arrest as he arrived in Finland.

"What am I to do now?" he asked News reporter Don Canter, who interviewed him by trans-Atlantic telephone last night, and his attorney, Lloyd McMurray, who called him in Helsinki shortly before noon.

Heikkila told McMurray it was cold and snowing in the Finnish capital and that he was without an overcoat—or even a toothbrush, in fact.

The 40 pounds of luggage his wife packed for him when immigration agents told her he already was on his way to his native country was booted from a plane in Vancouver.

"I was told the suitcase was put off the plane to make room for some flowers," Heikkila said.

But he is confident he'll soon be back in the United States, McMurray declared.

"He was even more so when I told him of the hubbub in the press and the courts and in Washington," the attorney said.

"He assured me he plans to keep on fighting."

Heikkila told McMurray his reception at the airport was tremendous, and that he was immediately invited to be a guest in one of Helsinki's biggest hotels—the Metro.

"They told me not to worry about my room or food until I'm able to pay," Heikkila, who has only \$1.50 in his pocket "and the clothes on my back," said.

He informed McMurray he was seized unexpectedly as he left work Friday and was unable to make even a phone call to his wife, Phyllis, 38, before being hustled aboard a waiting plane.

McMurray and Heikkila's wife both said they were more hopeful than ever that the long-time San Franciscan will soon be on his way back to his home.

But in fighting for a return ticket for Heikkila in Federal court Friday, Murray said he will also ask for a contempt citation against Bruce Barber, chief immigration official here.

McMurray insisted that Heikkila should have been returned directly to San Francisco from Vancouver, where he was held Saturday and Sunday waiting for his plane to Europe.

During that time he was still under United States Immigration Service jurisdiction and never fell under Canadian authority, John McDonald, Canadian immigration chief in Vancouver confirmed.

United States agents could have hustled back aboard the plane for a return trip at any time, McDonald indicated.

McMurray pointed out that he secured a restraining order Saturday afternoon to prevent Heikkila's deportation to Finland.

But failure to halt the draftsman's deportation in Canada, "Demonstrates that Barber is in contempt of court," McMurray asserted.

Barber said, "It will be up to a court to decide" whether his agents in Canada were acting illegally when they gave Heikkila a one-way ride to Europe.

McMurray said he has received a number of calls advising him of similar cases and of court rulings against the Immigration Service.

"In my opinion," McMurray said, "we'll get him back here."

Heikkila was brought to the United States when he was 2½ months old, but was never naturalized. He claims he applied for citizenship, but immigration agents say he didn't.

In the telephone interview with the News, he freely admitted, "I was once a Communist."

But he pleaded, "please people of San Francisco, believe me when I say that I have \* \* \* been faithful to your city and country."

A last-minute plea by Heikkila to remain in Amsterdam, where he waited overnight for his plane to Helsinki, was turned down by the Dutch Government.

But on this side of the Atlantic, California Congressmen joined the barrage laid down yesterday by a Federal judge against the Immigration Service and its "gestapo" deportation of the one-armed draftsman.

Federal Judge Edward P. Murphy, blasting the Immigration Service for tactics that "smack of the gestapo, the rack and the thumbscrew," vowed to do everything possible to arrange the draftsman's return.

In Washington, the agency was lambasted by Representatives JOHN F. SHELLEY, Democrat, of San Francisco, and JOHN E. MOSS, Democrat, of Sacramento.

"I intend to see that his basic civil rights are not denied him," SHELLEY pledged.

Moss said the cloak-and-dagger arrest of Heikkila as he left work Friday evening involved "shocking withholding" of information.

Both demanded immediate investigations, and this morning top Immigration Service officials were to appear before a House judiciary subcommittee.

But despite the crossfire, immigration officials steadfastly maintained that their methods were "proper and legal."

"It is not in good taste to discuss a controversial case. And it is not proper for me to interpret publicly the actions of the service as being proper or improper, but I believe we are operating squarely under the law," said immigration chief Barber.

And his superiors in Washington said they had "no regrets." They said the agents who arrested Heikkila and whisked him aboard a waiting plane were merely "carrying out the obligations which the law—as we understand it—places on us."

Barber was summoned before Judge Murphy yesterday to explain why Heikkila was deported when he has a motion pending in Federal court.

A hearing was set for May 2, and Judge Murphy insisted, "He's entitled to his day in court."

"If there is any way I can get Mr. Heikkila back, I am going to do it," he pledged.

But even with pressure from Federal court and in Congress, immigration officials insisted they "will resort to anything the law allows."

In court yesterday, Barber declared, "when the order of deportation is no longer stayed, I believe, under the law, that we must proceed."

After court, Barber explained that Heikkila was flown secretly from the country to avoid demonstrations by left-wing sympathizers. He accused Mrs. Heikkila of "milking" the situation for publicity.

Barber said he was pleased by the number of "complimentary" phone calls he's received.

He said when the case first came to light he received "a considerable number of abuse calls. But now most are friendly to the Government."

Barber's immediate dismissal was asked today by Warehouse Union Local 6 of the ILWU.

Heikkila's arrest was branded "outrageous" in a telegram sent by union president Charles Duare to Senator KUCHEL (Republican, California), WAYNE MORSE (Democrat, Oregon), and other Congressmen.

"The arrest," Duarte declared, "has made it clear that all aliens in this district are in immediate jeopardy so long as Bruce Barber remains director of immigration in this district."

[From the San Francisco Call-Bulletin of April 22, 1958]

**DEPORTEE RETURN APPROVED**

Immigration Commissioner Joseph M. Swing today authorized the return to this country of William Heikkila, who was deported to Finland last week, the Associated Press reported from Washington.

Swing said he was taking that action after reviewing the circumstances surrounding the deportation and after examining a restraining order in the case signed by Federal Judge George Harris here.

Heikkila arrived in his native Finland today.

William Heikkila, deported San Francisco draftsman, was unceremoniously dumped off a plane in his native Finland today.

He told the Call-Bulletin in a long-distance conversation from Helsinki that he arrived with just a \$1.50 in his pocket and 17 Dutch guilders.

He said he had no overcoat, although it was bitterly cold and snowing.

**NO SUITCASE**

His suitcase had not caught up with him, he said.

"Sure, I was a Communist from 1928 to 1939 in Minnesota," the hatless, summer-suit clad deportee told newsmen in Helsinki as he stepped off the plane.

"But from the time I left there for San Francisco I have had nothing to do with politics. I have not had the time. I have just been working. I am a Democrat."

"There is no country for me, but I will fight to get back to the United States. I regard it as my home country. For many years I have applied for American citizenship but it has not been granted."

The one-armed Heikkila, who talks fairly good Finnish, has some distant relatives in Finland but no one he really knows.

Mr. and Mrs. Fred Koski, of 33 Sanchez Street, however, yesterday cabled some friends in Helsinki, the Matt Holm family:

"Please try to arrange meet Bill arriving FinAir Monday or Tuesday."

Mrs. Koski hoped that their friends would be able to provide some financial assistance for Heikkila.

**SUDDEN FLIGHT**

He was taken earlier from Amsterdam to Copenhagen and placed aboard a plane there for the last leg of the sudden "kidnap" deportation flight.

Heikkila, 52, who has lived in the United States since he was 2½ months old, arrived at Amsterdam yesterday on a Canadian airliner from Vancouver.

He had been flown to Vancouver in an Immigration Service plane from San Francisco after two Immigration Service agents seized him outside his office here late Friday.

Heikkila's wife, Phyllis, 38, said he had only 30 cents in his pocket, and no passport, when seized. But the AP quoted police at Amsterdam's Schiphol Airport as saying he had money and a valid Finnish passport when he arrived, and that he spent the night in an Amsterdam hotel.



## OFFICIALS CALLED

Meanwhile, Heikkila's attorney here, Lloyd E. McMurray, said this morning that he had been told by Congressman JOHN F. SHELLEY that Representative FRANCIS WALTER, of Pennsylvania, had called in Chief of Immigration Joseph M. Swing, and other policy-makers of the Service for a meeting on the Heikkila case today.

McMurray said he had been advised that General Swing had been ordered to make a full report today on the case at a meeting of the Joint Congressional Committee on Immigration Policy of which Representative WALTER is chairman.

But the Government Information Subcommittee headed by Congressman JOHN E. MOSS, Jr., of Sacramento, has dropped the Heikkila inquiry after staff investigators conferred with immigration officials and decided there was no suppression of news in the case.

## BLACKOUT

McMurray, however, charged there was a complete blackout of news from official sources on the deportation from the time Heikkila was seized until District Director of Immigration Bruce Barber appeared under court order before Federal Judge Edward P. Murphy yesterday.

As to a report that Heikkila had been registered under the name of William Hudson in the jail at Vancouver, Barber said he does not know.

Nor, Barber added, does he know whether it would be customary to do that.

Meanwhile, Heikkila's stop at Vancouver and his attitude at that time was reported by AP. He was fuming mad and hostile to guards. He was held there 39 hours over the weekend then flown to Europe by a Canadian Pacific Airlines transpolar plane.

## HIS STORY

Escorted by two United States immigration agents, Heikkila told a Finnish-speaking man while he waited at the airport:

"I was picked up at work Friday. I was told I was being sent back to Finland. I wanted to phone my wife but they wouldn't let me.

"They didn't allow me to phone a lawyer, or even to go home to pick up my clothes."

## AND JAILED

He said he was taken to the airport where a plane was waiting, put aboard with a 2-man escort and 3 crewmen and flown to Vancouver.

"I was taken to jail and kept there until Sunday," he said.

He was placed aboard the CPA plane shortly before noon Sunday. Andrew Kola, on his way to visit in Poland, sat next to him, and it was to him Heikkila complained of his abduction as the two talked in Finnish. When the takeoff was delayed, passengers were asked to return to the waiting room, but Heikkila was told to remain aboard.

Judge Murphy, who ordered Barber to show cause Friday why he should not be held in contempt for the deportation, told McMurray he has no sympathy for Heikkila, a former Communist, but by the same token this man is entitled to his day in court.

"I think the procedure smacks of the Gestapo, the rack, and the thumbscrew," Judge Murphy declared.

Heikkila never has been naturalized.

[From the San Francisco Chronicle of April 22, 1958]

FLIGHT TO FINLAND—UNITED STATES JUDGE CALLS DEPORTING CRUEL, WANTS ALIEN BACK

(By William Keller)

A Federal judge lambasted the Immigration Service here yesterday for using "Gestapo tactics" in its rapid-fire deportation of

William Heikkila, Finnish-born, 52-year-old former Communist.

Judge Edward P. Murphy said he would do "everything possible" to bring the self-taught draftsman back to San Francisco from Helsinki, Finland, for "his day in court."

Immigration agents picked up Heikkila on Friday and flew him to Europe by way of Canada.

In Washington, San Francisco's two Congressmen, Republican WILLIAM S. MAILLIARD and Democrat JOHN F. SHELLEY, condemned the deportation and said they would demand an explanation of the affair from Chief of Immigration Joseph M. Swing, a retired general.

Shelley said General Swing would be ordered to give a "full report" at a Congressional hearing this morning.

With Judge Murphy's reprimand still ringing in their ears, local immigration officials insisted they "will resort to everything the law allows" before giving in.

Judge Murphy had told Lloyd McMurray, Heikkila's attorney, that "I have no sympathy for your client or anything he represents or for any alleged Communist."

"But I think this proceeding smacks of the Gestapo and the rack and thumbscrew," he said.

"If there is any possible way I can get Mr. Heikkila back, I certainly will."

## PRECEDENT?

Judge Murphy said, that if legal precedent permits him, he will direct the Immigration Service to open the country's borders for Heikkila's return. The case will be before him again on Friday.

As a former Communist, Heikkila normally would not be allowed to enter the United States.

There was still no word whether Heikkila—apparently unaware of the stir caused by his case—had arrived at Helsinki. The last contact with him by American authorities was when he was put aboard a commercial airliner in Vancouver, British Columbia, at 1:50 p. m. Sunday.

The newspaper, Vancouver Province, reported that Heikkila talked to a fellow Finn, who was on his way to Europe, at the airport before the airliner took off.

The Finn, Andrew Kola, quoted Heikkila as saying: "I was picked up at work Friday. I was told I was being sent back to Finland. I wanted to phone my wife, but they wouldn't let me.

"They didn't allow me to phone a lawyer, or even to go home and pick up my clothes."

But his wife, Phyllis, 38, said yesterday she was "much more hopeful that maybe we can get him back. This was a wonderful day."

## CALL FOR BARBER

It started for her at 9:30 o'clock in the morning when she accompanied McMurray to Judge Murphy's court.

The attorney wanted Bruce Barber, the local immigration chief and focal point of the controversy, called to explain "all the facts" in the case.

McMurray recounted how Heikkila, now 52, was brought to this country from Finland at the age of 2½ months, but was never naturalized although his parents later were.

"But what I want now," he told the court, "is the status quo so I can pursue a new line in trying to clear my client." And "the status quo," he said, would include the presence of Heikkila in court.

Judge Murphy agreed there might be reason for another appeal, and ordered Barber to appear at 11 a. m.

Barber appeared promptly.

He said the blond, bespectacled, one-armed draftsman was put aboard an Immigration Service airplane within 25 minutes after he

was picked up. He was in Vancouver by 11:30 p. m. Friday.

He testified he did not know until Sunday morning that a restraining order meant to block the deportation and issued by Federal Judge George Harris had been issued on Saturday.

"And by then it was too late. He was no longer with us," Barber said.

## CONSULTATION

Barber said his move came only after consultations on Friday with Lloyd H. Burke, the United States attorney here.

"When no court order is in effect restraining us, we are obliged to go ahead," Barber replied. Heikkila's case has been before the immigration authorities and in the courts for 11 years. A deportation order was in effect when he was picked up.

McMurray said a motion for a new court hearing, previously set for May 2, was by precedent the same as an automatic restraining order.

In Washington, the executive assistant to General Swing, James Hennessy, said department policy does not dictate how an alien should be deported.

"Mr. Barber was acting under his own authority," he said, "guided by the regional commissioner."

In San Pedro, Merrill R. Toole, acting regional immigration chief said Barber planned the rapid-fire deportation with his approval.

He described the Heikkila case as "not normal (deportation) policy. But in all (cases) involving Communists and fellow travelers, we have to act fast. They're experts at delaying things."

[From the San Francisco News of April 22, 1958]

## FINN'S OWN KIDNAP STORY

(By William Heikkila, as told to Donald Canter).

AMSTERDAM, April 22.—My God, I'm in Holland.

For the first time in 3 days people have been good and friendly to me.

Nobody here put me in jail. No immigration agents were on hand as I arrived.

I'm here in the Victoria Hotel, in a comfortable room. The Dutch pay for it. I would have loved to do it myself. But all I've got in my pocket is \$1.50. That's all plus the clothes on my back.

In 3 hours I have to be at the terminal to catch the bus for the airport. From there I'll have to take a KLM Royal Dutch Airlines plane to Helsinki. There's nothing else I can do. All I've got is a ticket to Finland.

What I'm going to do there, only heaven knows. There are no friends in Finland, no relatives. And I haven't got money. What must I do?

It's incredible to believe this all happened to me in these few days. Where did it start? Sansone Street. It was 5:30 p. m. and I left work on my way home.

Suddenly I was surrounded by five people. Don't know where they came from. One of them said: "Immigration officers, follow us." There was a car standing in front of my office. "Get in," they told me.

What else can you do? I asked them where they were taking me. But they said they couldn't tell. I would see.

So we drove up to Bayshore. Somewhere along the way the car broke down. They tried to get it started but it wouldn't move.

So we got out. The officers flagged down a private auto and ordered the driver to take all of us to the airport.

The driver obeyed. The officers directed the driver through a special entrance to the platform.

There a border patrol plane stood ready. They ordered me to enter that plane, then boarded themselves.

The moment we entered the plane, the propellers started turning. A few minutes later we were airborne. Again I asked where they were taking me, but again there was no answer. I looked at my watch. The time was exactly 6:30 p. m.

Then I asked them to tell my wife and allow me to get some clothes or at least a toothbrush. They answered, "No."

At midnight the plane touched down at Vancouver Airport. We were met by two United States Immigration agents. One of them was a Stanley Olsen. They drove me to the city jail and locked me up.

They wouldn't allow me to write or phone. They wouldn't let me call the Finnish consul.

What a night it was. At 11 in the morning Olsen and the other agents drove me back to the airport. They put me aboard a Canadian Pacific Air Transport plane bound for Europe. They gave me a one-way ticket to Helsinki.

Finally I was on my own, without immigration officers. It was good to be a free man again. The only thing was, I couldn't go back. I had no papers to return to the United States. And above all, I had no money.

Yesterday morning I found myself in Greenland. I wanted to call my wife. But how can you do that without money. So I sent her a post card. That's all I could do.

Then the plane went on to Amsterdam. I love the people here. Please tell them that. But I'll have to leave them again in a few hours. And then I'll be back in Finland where I was born.

My God, why? I do not want to live there. It's not my home. That's in San Francisco. It's true I once was a member of the Communist Party. But I broke with them in 1939.

Please, people of San Francisco, believe me when I say that I have at all times been faithful to their city and country. At all times. In 1945 I applied for American citizenship. That petition is still pending. Check with the blood bank. I've given 2 gallons of blood during the war for our soldiers.

It's only now that I hear from the San Francisco News that the newspapers are full of my story. I'm grateful.

I'm also grateful to Judge Murphy for saying he'll get me back to the United States if he can give me my day in court. There's nothing in the world I would like better.

I want to come back to the United States, to its people, my friends, my wife, Phyllis, my wife. I miss you very much. I am very sorry for all the trouble I have caused you. Let's hope we meet again, soon.

How, heaven knows, because at the time this message reaches you, I will be on my way to Finland.

What happens then only time will tell.

[From the Washington Daily News of April 23, 1958]

#### SNAPU AT IMMIGRATION DEPARTMENT—OUT AGAIN, IN AGAIN, FINN AGAIN

HELSINKI, FINLAND, April 23—William Heikkila, a one-armed Finnish ex-Communist who was deported from San Francisco last week, waited jubilantly here today for his return ticket to the United States.

Mr. Heikkila was overjoyed when he was told the United States authorities have decided they were wrong to deport him so swiftly because of his past Communist associations.

"This is the most wonderful thing that ever happened to me in my life," he said.

The deported Finn arrived here by air last night, hatless, coatless, and without baggage in freezing subarctic weather. He checked in at a hotel while he pondered his

future in a strange country whose language he does not speak.

#### WIFE ELATED

In San Francisco his wife Phyllis, 38, said she was elated at news her husband would be returned.

Mr. Heikkila talked to her by telephone yesterday from Helsinki, the first time he had a chance to speak to her since he was seized by Immigration authorities and rushed out of the country.

Mr. Heikkila's attorney, Lloyd E. McMurphy, said in San Francisco he would push his efforts to have Immigration officials held in contempt of court for deporting Mr. Heikkila. He said the action was taken while his case was still pending.

#### ADMISSION

He said the decision of Immigration Commissioner Joseph M. Swing to return Mr. Heikkila was in effect an admission of guilt and an attempt to evade the consequences.

Senator THOMAS C. HENNING, Jr. (Democrat, Missouri), said in Washington yesterday he is drafting a bill to prevent the type of abduction used in deporting Mr. Heikkila.

Senator HENNING said such "insensitive and less than human practices" serve to "discredit traditional American concepts of fair play." He said no matter what the reasons for deporting Mr. Heikkila "this was a highly uncivilized way for the American Government to behave."

United States authorities, in announcing the Government would return him, also said the United States would pay his fare.

[From the San Francisco News of April 23, 1958]

#### LAWMAKERS RAP "GESTAPO"—SHELLEY, MOSS, JUDGE ASSAIL UNITED STATES TACTICS—DEFEND DEPORTED MAN'S CIVIL RIGHTS

California Congressmen today took up the barrage laid down yesterday by a Federal judge here against the United States Immigration Service and its "gestapo" deportation of a San Francisco draftsman.

William Heikkila, 52, an admitted former Communist, baffled and angry at his abrupt arrest Friday, is due in his native Finland late this morning. He was brought to the United States when he was 2½ months old, but never took out naturalization papers.

"It's true I once was a member of the Communist Party. But I broke with them in 1939."

[From the San Francisco Chronicle of April 22, 1958]

#### UNCLE SAM GOES IN FOR ABDUCTION

The United States Immigration Service, which frequently behaves like a terror agency of a police state, has outdone itself in the case of William Heikkila, ex-Communist, and has given a performance that outrages simple decency, the law, and the people whose servant it ought to be.

The manner and methods whereby this great Government agency spirited this obscure draftsman away from his wife, his home, and the country he has inhabited since infancy, are inexcusable. Here was a deliberate policy decision to hustle him outside the local jurisdiction and deprive him of his day in court. "This proceeding smells of the gestapo and the rack and the thumbscrew," said Federal Judge Edward P. Murphy yesterday.

Such odors have long characterized the Immigration Service. From time to time its procedures have been declared illegal by the courts, its centers of incommunicado detention have produced shocking news, its utter disregard for humane considerations have revolted the public. What the Heikkila case has accomplished is to hold up to view a combination of these unwholesome practices, and top it with an arrogant disregard for the

courts of law. "We didn't want any further delaying tactics or administrative proceedings," said the acting immigration commissioner for this region, "so we moved without consulting his wife or attorney."

The move occurred despite the fact that litigation is still pending and despite the fact that Heikkila, having petitioned for a restraining order that would prevent just such a highhanded move, was assured by the Federal court that such an order would be superfluous because the Immigration Service would not deport him while his case was pending.

Judge Murphy said yesterday that Heikkila is clearly entitled to an appeal and that he will do everything in his power to get him back in this jurisdiction. Whether he succeeds or not, the Immigration Service now stands clearly forth as an agency in need of drastic reformation.

Congress is showing an inclination to investigate the Service and some of its more repugnant acts, including the Heikkila abduction, which Representative Moss calls "a cruel and unjustifiable abuse of authority." President Eisenhower, we feel, should acquire a thorough knowledge of the Service and its workings toward the end of revising its questionable and brutal policies and of summarily dismissing the men who make and tolerate them.

[From the San Francisco News of April 22, 1958]

#### UNDER THE GUISE OF LAW

We keep asking ourselves: "Is this America?"

And we turn again to the fifth article in the Bill of Rights of the United States Constitution, wondering if we misread it. It says: "No person shall be deprived of life, liberty, or property without due process of law."

Apparently the United States Immigration Service hasn't read it, or doesn't believe it means what it says, because its agents whisked a man off a San Francisco street and without ceremony shipped him out of the country.

He is William Heikkila, a citizen of Finland, whom the Immigration Service charges is an undesirable alien.

To us this is the knock on the door in the night and the train to Siberia. This is a leaf from a Gestapo manual, a lesson taught in an NKVD classroom.

When Immigration agents hustled Heikkila into a limousine Friday as he left his office, the shadow of the police state fell across Sansome Street.

We are not here to defend William Heikkila. We come in behalf of Joe Smith and Mary Jones and every individual in the United States to whom the Bill of Rights is at once a shield and a sword against the arbitrary bureaucratic whim.

We do not judge the merits of Heikkila's basic case against deportation. We do not have to, because that is not the issue here.

The issue dwells on the question: Had Heikkila come to the end of the judicial trial or was there another legal remedy left to him? And since this question had not been answered beyond a doubt, no Government agency had the right to take the matter in its own hands and administer the judgment.

It is a fact that the processes of law sometimes seem interminable, but the Immigration Service cannot allow itself the luxury of cutting them short.

Federal Judge Edward P. Murphy stated with commendable judicial ire that the mechanics of the deportation "smacked of the rack and thumbscrew."

Such policies of the Immigration Service call for a Congressional investigation. Heikkila is not the first thus to be literally kidnapped into deportation. Others have been



taken along the same path and while in the case of most—if not all—it was good ridance, even the most obnoxious is entitled to the last bitter ounce of justice.

The great stone of the law can be worn away as well by the small drops of occasional infraction as by the catastrophic upheaval of a revolution.

The United States deported Heikkila and having done so surely has the authority to bring him back to complete the proper consideration of his case.

Communists abroad will not have to use this incident as propaganda among our allies and neutrals abroad; it will exploit itself.

Justice may be blind, and sometimes seemingly overdeliberate, but when she is shaken, free men tremble.

[From the San Francisco Chronicle of April 22, 1958]

#### THE BUM'S RUSH BY IMMIGRATION (By Royce Brier)

William Heikkila, 52, ex-Communist, an alien who has lived most of his life in this country, was taken into custody Friday in downtown San Francisco by United States Immigration officers.

He was not permitted to get clothing, papers, any funds he may have had, or to see his family or friends, but was taken to an airport.

There an Immigration plane flew him to a rendezvous in Canada. Presumably sometime in the next 24 hours he was flown to his native Finland.

During the weekend Immigration officials here, Bruce Barber, director, would not reveal to Heikkila's wife, or to anyone else, his whereabouts.

Heikkila's case has been pending for 11 years. On April 3 an appeal from an order of deportation was denied by the United States District Court, Immigration officers, quietly preparing to seize Heikkila, deemed this ruling final, though a motion in the case was pending in the court. Federal Judge Harris signed an order Saturday for Heikkila's appearance, but Immigration said he was by that time out of the United States.

In an effort to learn what had happened, reporters came across Merrill R. Toole, of San Pedro, acting regional commissioner.

Toole said: "We didn't want any further delaying tactics or administrative proceedings, so we moved without consulting his wife or attorney."

This pronouncement, not unprecedented, is a superb epitome of the whole Immigration mentality.

The body of our law, constitutional and statutory, is that there shall be delays and administrative proceedings involving anyone accused, from parking tickets to murder, under article V, in amendment, which reads: "No person shall be \* \* \* deprived of life, liberty, or property, without due process of law \* \* \*"

Note this says "person," not "citizen." It is true enough, and natural, that aliens lack certain rights of citizens, and it is this which gives Immigration an arbitrary power not given to many domestic agencies, an arbitrary power Immigration has exercised for years, and frequently abuses.

But this power does not deprive an alien of certain rights, including rights enumerated to life, liberty, and property.

The necessity for delays and administrative proceedings in cases involving the basic rights of any person domiciled in the United States is not too complex for the understanding of a dull-normal schoolboy.

Delays and administrative proceedings are a barrier to the infliction of injustice and downright tyranny. Where there have been tyrants there have been precious few delays and administrative proceedings involving an accused—the Caesars, Henry VIII, and Adolf Hitler did not delay when they struck, and

any administrative proceedings they instituted against an accused were suborned.

So when Federal Judge Murphy said yesterday this case smacks of the Gestapo, he was dealing with what he saw in the record. It does. It smacks of everything Washington's ragged men died to banish from this land, and it matters not a damn whether Heikkila was a Communist or a Hottentot. He is a human being who was residing in the United States, and the United States Immigration officers didn't treat him as one.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Speaker, I want to urge as strongly as I can that this rule and this legislation be enacted.

I realize that there are more Members of Congress from districts whose schools are not affected by the impact of Federal installations than are affected. I realize, too, that it is awfully easy to be against something that your own people will not get something out of, directly. I hope you will look at this problem, however, from the broader standpoint.

It is absolutely necessary that the Federal Government continue to assist the schools in certain impacted areas of our country. How the President can say with any degree of accuracy that the problem, as far as impact is concerned, no longer exists, is beyond my imagination. It makes you wonder if he has ever heard of Cape Canaveral, Fla.—the place from which our satellites have been launched, and which is the proving ground for guided missiles for all of the services.

There have been complaints that we haven't moved as rapidly in the area of developing guided missiles as we should have. A number of things have complicated the problems surrounding such an installation. Not the least of these is the fact that it takes a lot of people to do the work at such an establishment. These people have to have places to live. Most of them have children, and these children must attend schools. The turnover of personnel at Canaveral and Patrick Air Force Base has been tremendous. The contracting companies who are doing the work have found it difficult to retain trained personnel, principally because they find themselves living in an area where the school situation is, to say the least, not good. The local authorities, with what they have had to work with, have done a magnificent job. The tax assessor has almost trebled the assessments of the local property owners. They are doing everything humanly possible to meet the problem. The Federal Government has been helping. Even with all of this, the area and the installations continue to grow, and the problems—especially the school problems—seem to grow in geometric proportion. Churches and community organizations have made their buildings available for classrooms; schools have been on double sessions; but in spite of the herculean efforts of the local authorities, the problem still exists. The base and the guided missile installation, the Defense Department says, have not yet reached their maximum population. These people who have moved in are, for the most part, not taxpayers. They are there because

of the Federal installations. Their children must be educated. The Federal Government must continue its support of their education until such time as the local authorities are able to absorb this tremendous growth.

To show you how much this area has grown, Brevard County, in which Cape Canaveral is located, had 23,000 people in 1950. There are over 90,000 people there now.

When Patrick Air Force Base was established in 1950, Brevard County had a small school system with about 3,700 pupils. Today, there are approximately 15,000 children attending the schools. As of the last report, of the 15,000 pupils, 48 percent had parents working at the guided missile test center.

Let me call your attention to these figures. For the 1957-58 school year, Brevard County's contribution to its school system was \$1,395,801, that of the State of Florida, \$2,953,991, and that of the Federal Government, \$431,332. In other words, the Federal Government contributed approximately 9 percent of the budget for current operating expenses, yet 48 percent of the children have parents working at the missile center, but living on private property.

Now listen to this: During this school year, the Brevard County school system has increased at the rate of 15 pupils every school day with most of them being brought in by the Federal activity. This means that every other school day we need to build a new classroom and hire a new teacher, if the county is to keep its classloads in accordance with State standards.

This tremendous growth is not confined just to this one county; all of the surrounding counties have experienced a similar and almost as meteoric a gain in population. The local communities were able to absorb a great number of these people when the installation first opened, but once a community is crowded, every additional person who comes into the area multiplies the problem. A half-full bus can take on quite a few passengers, but once it is full, there comes a time when you just can't possibly crowd another passenger in. That's the way the classrooms have become in Brevard and the adjacent counties. We are going to have to build more classrooms, and as the classrooms are needed because of the Federal installation, it is the responsibility of the Federal Government to help build them.

All of us are interested in seeing our missile program progress as rapidly as possible. While your people may not be directly affected, if they insist that you vote against this program, they are, possibly unwittingly and unknowingly, contributing toward delaying the ultimate time when the necessary guided missiles for our survival will be operational and in production. Any American who was accused of slowing up a program as vital as this would protest to the high heavens, yet the delay that is caused by the terrific turnover of personnel, caused again, in part, by inadequate school facilities, could be fatal.

Your vote for this bill today can be marked down as a vote for the defense of our country. I feel sure this Congress

will measure up to its full responsibility in this respect.

Mr. COLMER. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota [Mr. McGOVERN], a member of the Committee on Education and Labor.

Mr. McGOVERN. Mr. Speaker, it is my sincere opinion that H. R. 11378 is very worthy of speedy Congressional approval. To the hundreds of communities this legislation affects, its passage is vitally important. Many are faced with critically mounting problems, due to the great strain which has been put upon their educational facilities by the population influx.

If any changes are to be made in this measure, they should only be to strengthen, not to weaken, the bill.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY] to conclude the debate.

Mr. BAILEY. Mr. Speaker, 8 years ago it was my pleasure to be presiding over the subcommittee of the Committee on Education and Labor that drafted the original legislation, the extension of which is before the House today. May I say that over the past 8 years it has proved to be wholesome legislation that has met with general approval not only of the people of the country but also of the Members of Congress.

It becomes necessary occasionally to renew this legislation and extend its provisions, and it was a pleasure for me again to serve as chairman of the subcommittee that considered the redrafting and extension of this legislation at the present time.

May I say to my colleagues in the House that the subcommittee rewrote Public Law 815 and made some 6 or 7, what might be considered major, changes in Public Law 874. It is not my purpose to go into the details of what the subcommittee did and what was approved unanimously by the whole committee and by the Rules Committee. Members of my subcommittee who assisted me in the drafting of this legislation will, in general debate, take up the provisions that have been changed and clarify what has been done on this legislation.

There are 1 or 2 points that have arisen since the approval by the committee some 30 days ago. These two points will be cleared up by an amendment which will be offered by the distinguished gentleman from Montana [Mr. METCALF].

Mr. Speaker, may I commend to my colleagues of the House this legislation as being wholesome legislation, good legislation, necessary legislation to meet the situation that has developed in these areas of defense where the Federal Government has created the impact.

I see no reason why there should be extended argument over the granting of the rule, and I sincerely hope the rule will be approved promptly.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered.

The resolution was agreed to and a motion to reconsider was laid on the table.

Mr. BARDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 11378, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. BARDEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is a piece of legislation the House is quite familiar with. It is, in my opinion, the best available substitute for the type of legislation the House must eventually pass; that is, a piece of legislation which would by formula, arrangement, and schedule of evaluations for Federal property in the various States of the Union require the Federal Government to pay a sum in lieu of taxes commensurate with its proper share of taxes, just as any other citizen or private industry must do when they move into a State, town, city or school district.

I am definitely of the opinion that this situation which we are attempting to take care of will grow and grow and become so complex that it will tax the mind of anyone to try to work out a just, workable, and fair formula.

The Federal Government for the past several years has been extracting from the States increasing amounts of money which has increased the pressure on the States to take care of their own traditional functions and expenses of operation, including their educational costs. I believe the best solution to it would be for this House to adopt a piece of legislation that will reflect a fair payment by the Federal Government for the properties in the various States. It would not necessarily have to be based upon value, but we could work out a formula that would meet the situation better than this bill, although I say to you this is the best possible available way to handle the situation at the present moment.

This is about the same piece of legislation that has been in effect for some 8 years, I believe. There are not many changes involved in this bill. The best change has been to make permanent the so-called category A students, which are children of employees of the Federal Government living on Federal property. That problem we have always had to face. We have had to face it in every bill we have had before the Congress and each time it has been renewed. So, seeing no way to avoid that responsibility, it did seem rather absurd to the committee that we should year after

year keep renewing something that must of necessity be renewed.

We have 1 or 2 other changes in the bill, some of which I go along with all right, but some of which I am not so warm toward. I have felt that the cost of this bill should be held within reason. I thought that every attempt should be made to keep from increasing it and letting it eventually get out of bounds to the extent that it covered more than the policy of this Government at this time would justify. Of course, as the gentleman from Ohio said, the policy of the Government at this time is to provide payments in lieu of taxes for the actual costs incurred by the Federal Government when these impacts are placed on the various school districts which in many instances, I must say, are simply unable to take care of the expenses involved.

Now, there was an amendment adopted in the committee that I think I should call to the attention of the House. From the beginning of this law we did have a provision requiring the absorption of 3 percent of the Federal impact in cities having more than 35,000 average daily attendance. Well, there was considerable justification for changing the date of that measurement from 1939 to, I believe it was, 1957. And, the committee did a pretty good job in working that out and in trying to take care of the problems involved with fair play and just treatment. I think the committee did a good job. I thought their action in changing the date was justified. I could not approve and I do not now approve, and I hope the House will not eventually approve, of an amendment which was put in by the gentleman from California in the full committee, which knocks out the 3-percent absorption requirement. I think that is a very serious blow to the bill and will uncork some situations which I think the House may not like very much eventually.

And there was one other situation. There is a change in the rate of payment which will decrease the per pupil payment by \$7 each in many school districts, and unfortunately it just happens to hit about 14 Southern States. But, I am not going to fuss too much about that. I do think it would have been better policy and a little bit more considerate of the school districts involved if the committee had just provided that the school districts affected would not for this year receive any less than they did last year.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Montana.

Mr. METCALF. I want to say to my chairman that I am going to offer an amendment providing that no one shall suffer from this change and that no school district should be paid less for the next year than they have been paid for the last fiscal year.

Mr. BARDEN. I think the gentleman is quite fair in that. Being one of those who has been a little tight on this money situation, frankly I will say to the gentleman, I was not in much of a position to ask that that be done, but at the same



time in the interest of fair play I think it should be done.

Mr. METCALF. I would have offered an amendment in the full committee, but he knows we got into a parliamentary situation where I did not have an opportunity, so I will offer it on the floor.

Mr. BARDEN. I understand that.

I want to call the attention of the House to one other situation. When you are dealing with all of the 48 States and with the thousands of school districts, it is not a very simple problem to work out formulas to take care of even the patently bad situations. But there is one situation in Greenville, S. C., that I wish to speak of that came about in this way. It has been the policy of this committee in the writing of this legislation to do everything we could to encourage consolidation of school districts. Everybody knows that I do not come from Greenville, and I do not even come from South Carolina. But let me say this: Greenville went all the way to do exactly what we have encouraged them to do and what they thought was the right thing to do. They consolidated 82 school districts, and when they woke up and fitted the formula to their actions they found that they had just consolidated themselves out of the whole picture. So there is an amendment that would take care of that. I think every single member of the committee will approve that amendment because, to be frank, it was a little bit embarrassing when we found out what would happen to Greenville.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I wish to take this opportunity to compliment the distinguished chairman of the Committee on Education and Labor, the gentleman from North Carolina [Mr. BARDEN], for his most active support of this legislation since it was adopted in 1950. I happened to be a member of the subcommittee at the time the legislation was enacted in the 81st Congress and have observed the improvement in the school systems in the impacted areas since the enactment of the law.

In the legislation before us today, we recognize the continuing and permanent responsibility of the Federal Government to provide financial assistance in the construction and operation of schools in areas affected by Federal activities, just like we have recognized this obligation since the original law was enacted in 1950. In the case of the so-called category A pupils—children of persons who reside and work on Federal property—the programs are established on a permanent basis. Insofar as the programs relate to children in other categories, the present legislation extends such programs until June 30, 1961, a 3-year period for Public Law 874 and a 2-year period for Public Law 815. Personally, I feel that this is an improvement since there is no necessity to continue to extend legislation where we know definitely that a Government obligation exists in the future.

From the standpoint of providing Federal assistance for the maintenance and operation of the school plant in the impacted areas and providing funds for school construction in such areas, the legislation has been a credit to the Congress. I just wish the Committee on Education and Labor would go a little further in discharging what I think is a duty to the schools of the country in making further improvements.

I am hopeful that we will not pass this bill and let the concern about our schools vanish. In my judgment, the greatest contribution the Congress could make for the general welfare of this country would be to enact a general school construction program.

Mr. Chairman, again I wish to compliment the distinguished chairman of our committee, Mr. BARDEN, for his wholehearted support of this important legislation and for his invaluable assistance in the past in supporting this legislation.

Mr. BARDEN. Mr. Chairman, I wish to thank the gentleman, but this is a problem that is rather unique in that it deals with the impacts created by the Federal Government in all school districts and areas involved that have no way of protecting themselves. The reason that I made the comment that I did about being reluctant to abandon the 3 percent absorption provision was because in these big cities there are tremendously valuable properties; they belong to private corporations and they are taxpaying properties and in some instances tremendous benefits come from the activities; and when the committee took into consideration all those things way back yonder years ago we thought the 3 percent absorption requirement was a perfectly fair and workable proposition. It was adopted and it has stood. Frankly, I think it should stand if we expect to have any semblance of safeguards in the expenditures that may follow.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. DIXON. I wish to compliment our honored chairman of the committee on bringing up this legislation to assist those areas which are impacted by the Federal Government and to assist them in lieu of taxes. It would have been really a calamity not to have extended this legislation. I compliment the gentlemen of the committee on this fine bill, and I hope that it will receive the approval of the House.

Mr. BARDEN. I thank the gentleman.

Let me say to the House that the subcommittee headed by the gentleman from West Virginia [Mr. BAILEY] did a splendid job in the hearings. The matter was considered thoroughly and the committee took ample time to discuss and work out this matter. I do not know of any serious fights on this bill, and there will not be any if the membership sticks to those things that are good for the legislation and keep their eyes on the objectives that we seek by the passage of this legislation. Now, if someone wants to go far afield and disregard the intent of this piece of legislation and

disregard the welfare of the people involved and bring in some side issues, why then that is a matter that will have to be settled by their own judgment. I sincerely hope the House will do as it has done in the past several years and re-enact this legislation. I think the legislation is justified and it has justified itself. I think the membership are friendly to the legislation. I think they are satisfied with the good that it has done and the good that it will do. Let us pass the bill and continue the good work that it has done. I tell you frankly I would vote for the bill, as it now is, but I think it can be improved. But, if the House exercising its will decides that it does not want to make any changes, it is still a good bill so far as that is concerned.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. RHODES of Arizona. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, in view of the brief discussion just held, perhaps I should yield to the author of the bill, the gentleman from New Jersey [Mr. THOMPSON]. But, I imagine in the course of his discussion, he will have a full opportunity to discuss this bill, describe its main features and to join in the general approval which I think we can expect on legislation of this kind.

Before I begin, I should like to compliment the chairman of our full committee, the gentleman from North Carolina, for his consistent support of this legislation and for his excellent description of what we are trying to do in the bill which is presently before us. I should also like to mention the chairman of the subcommittee, the gentleman from West Virginia, who has also played a crucial role in the discussions which led to this particular bill.

I think the Members of the House are well acquainted with the broad outlines of the legislation which is presently being considered. I would like to comment on the background and the scope of these two programs—construction assistance and operation and maintenance assistance. To begin with, under Public Law 815—since the program was established in the fall of 1950, about \$720 million has been spent on approximately 3,500 individual projects, which have benefited approximately 1,500 different local school districts.

In that construction effort, which has been made possible in large measure by Federal funds, over a million pupils have received direct benefit, and about 35,000 schoolrooms have been built. In addition to this \$725 million of Federal money, about \$300 million of local or State money was added to it. It is easy to see, therefore, that there has been a very substantial attack in correcting overcrowded conditions in schools affected by Federal activities.

At the present time applications under Public Law 815 are decreasing in amount, but the same thing is not true for Public Law 874. Since that program was instituted, roughly half a billion dollars

has been spent for operation and maintenance of school districts. In the last year alone over \$113 million was appropriated, as compared to \$90 million in the 1956 fiscal year. In the last fiscal year, 1957, a total of 3,331 school districts was assisted as compared to, roughly, 2,800 the previous year. This is attributable to a number of factors. In the first place there are new or expanded Federal activities. Second, there has been growth in the number of federally affected children.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I will be glad to yield to the gentleman.

Mr. BAILEY. With reference to the expanded activities, may I call attention to the fact that the legislation and the appropriation authorized by this present session of Congress has been better than half a billion dollars in the defense effort, guided missiles field, and what have you, which will create 46 points of contact that may result in a Federal impact, either through new installations or the revival of existing installations. So that you can see that the problem is an expanding one. I wanted to bring out that point, that that is one of the reasons why the committee decided to make the legislation permanent.

Mr. FRELINGHUYSEN. I thank the gentleman. It is undeniable that the increased activities of the Federal Government will result in a continuing need for assistance of this kind.

The pupils who have been benefited from the operation and maintenance assistance program total approximately 7½ million pupils, or almost one-fourth of all those attending school. In other words this Federal money has been useful, it has recognized the considerable responsibility on the part of the Federal Government.

Almost universally there is acceptance of the necessity for this kind of assistance. The responsibility of the Federal Government is undeniable and very real and continuing. As the chairman of the committee has pointed out, the difficulty is to determine specifically what kind of formulas we should develop. Are there changes in the law which should be made? Should there be contraction of the program or should there be liberalization? In any event, in legislation of this kind there will be inevitably some inequities to the individual school districts which fail to qualify for reasons which they think are insufficient.

We have made an effort to improve, to make certain changes in the existing language of the law, and to correct some of those inequities. In that effort we perhaps have gone too far. As the gentleman from North Carolina [Mr. BARDEN] has indicated, certain amendments may well be considered to improve the legislation. But the basic intent I think is clear. It is to recognize on a permanent basis the Federal responsibility for these children whose parents live and work on Federal property. It also recognizes in a continuing way, though not a permanent basis, our responsibility to those children whose parents either work

or live on Federal property, or so-called category A children.

I think the program is a good one. The main danger, as I see it, is whether we may eventually go too far, because we recognize there are needs for which perhaps the Federal Government has some responsibility. I would like to call attention to an example of what I consider perhaps as going too far in this legislation. I call attention to page 33 of the bill, line 16. This language will add a new category of children who will be considered federally connected. I will read:

Any facility engaged with the modification of aircraft or aircraft engines under contractual arrangements for the Department of the Air Force at an airport which is owned by a State or by a political subdivision of a State.

That language will allow children of personnel employed at a facility engaged in the modification of aircraft engines to be counted as federally affected. In my opinion that is an undesirable addition to the present law. I hope that the amendment, which I assume will be offered, will be favorably considered.

This is a relatively small point, but I think it demonstrates the type of danger that faces us. If we could extend it to those who work for aircraft plants or on aircraft engines, why should we not do the same for Army or Navy contracts? Why should we not consider them federally affected children even though they are not living on the property or are not directly working for the Federal Government?

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I shall be glad to.

Mr. ELLIOTT. The amendment to which the gentleman refers, I am sure he knows would have the effect of making children of parents who work for Hayes Aircraft Corp. in Birmingham, Ala., eligible to be counted for benefits to the school which they attend.

The situation, Mr. Chairman, if the gentleman will yield further in this connection, is that these children were covered up until 1 year ago at which time the airport where the Hayes Aircraft Co. is modifying military aircraft for the Department of the Air Force reverted to municipal control.

The situation is that the children were eligible up until the time the airport reverted to municipal control, but in the control agreement the United States Government, acting through the Air Force, has the power to take over the facility again at any time within a period of 10 years. It seems to me, I would like to say to the gentleman, inequitable and unjust under such a state of facts to deprive the local school district which, by the way, is not in my Congressional District, to deprive the local school district of the benefit it was receiving for these same children up to 1 year ago.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. BARDEN. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. FRELINGHUYSEN] to further discuss the matter if he cares to.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding to me.

I think the gentleman has demonstrated one of the reasons for my hesitation about the advisability of this provision. If we accept language to benefit one particular school district because of a particular set of circumstances, there will be other moves which almost inevitably will lead to a major broadening of the scope of this legislation. By following the same reasoning, we will surely make many other districts eligible which now cannot qualify.

If we allow the modification of aircraft engines on municipally owned land to result in a determination that the children of the employees of that activity are federally affected, we can use that same argument for vastly expanding the eligibility of children who are presently excluded. The fact that the children in Birmingham previously have been included does result in a hardship, I admit, and the gentleman's argument was very persuasive in committee. Nonetheless, I am hopeful that the House weigh seriously the advisability of a modest extension to correct a specific inequity in one school district if as a result we establish a precedent which will vastly increase the number of districts which can get Federal aid.

Mr. ELLIOTT. I have been most interested in this legislation from the beginning. I actively supported it when the bighearted and determined gentleman from West Virginia [Mr. BAILEY] first sponsored it in 1950. I have supported it ever since. I have supported all or nearly all the amendments that have been recommended by the committee to the House through the years.

This is good legislation. Nationwide it has stimulated and contributed heavily to the building of a better school system for America.

Last year our Government expended \$107 million for maintenance and operation of schools in districts that received a sufficient Federal impact to qualify under the law. In addition, during the past 2 school years, our Government spent \$87 million for construction in school districts that could qualify.

I think the legislation before us today, as the gentleman from Montana [Mr. METCALF] proposes to amend it, will give us the best bill we have ever had in this field. The gentleman from Montana [Mr. METCALF] all along has taken a special interest in this legislation. He has worked hard on it and has done a fine job. For his splendid work, he is entitled to the thanks of the entire House and of the country.

Under Public Laws 815 and 874, our Government has already expended a total of more than \$1,200,000,000. The construction done under this law has benefited more than a million children. The Federal Government has spent some \$727 million for construction, and local communities have added sufficient funds to bring the total for construction to more than a billion dollars.



Last year, Alabama received \$2,872,321 for maintenance and operation of its schools under this program. Schools benefitting are located in Huntsville, Montgomery, Selma, Sylacauga, Talladega, Ozark, Anniston, Tuskegee, Enterprise, Bay Minette, Troy, Decatur, Tusculumbia, Mobile, Ashville, Dothan, Sheffield, Russellville, Florence, Jacksonville, Piedmont, Florala, Columbiana, Guntersville, Heflin, Phenix City, Athens, Ashland, Elba, Wetumpka, Scottsboro, Centre, Oneonta, Tarrant City, Gadsden, Andalusia, Prattville, Rockford, Atmore, Clanton, Cullman, Moulton, Attalla, Geneva, Opelika, Wedowee, and surrounding areas.

Mr. RHODES of Arizona. Mr. Chairman, I yield 5 minutes to the gentleman from Delaware [Mr. HASKELL].

Mr. HASKELL. Mr. Chairman, I rise in support of H. R. 11378. This legislation should be passed if we are to recognize the responsibility of the Federal Government to provide financial assistance in the construction and operation of schools in areas affected by Federal activities. A major change in this legislation is the recognition that in the case of category A pupils—children of persons who reside on and work on Federal property—the Government has a continuing responsibility.

For the first time, this legislation recognizes that responsibility on a permanent basis and provides for assistance. And there is full justification for Federal help in this area. Those persons who live on and work on Federal property will, in many cases, be sending their children to public schools, but the local community receives no compensation from those parents in the form of taxes on real estate since the families reside on tax-exempt, federally owned property. It, therefore, becomes the responsibility of the Federal Government to lend assistance. And such assistance should be made a matter of permanent Congressional policy.

Regarding all other children, this bill provides for extending Public Law 874 for 3 years and Public Law 815 for 2. In my own State of Delaware, we have a huge military installation at Dover, which employs people who live in many of the surrounding towns. Delaware's total net entitlement under Public Law 874 in fiscal 1957 was \$131,887. This money was used to help the local communities bear the burden of increased school costs brought on by the Federal activity in the area. These funds were essential.

There has been from time to time a great deal of criticism about Federal interference in State matters. In some areas, I would agree with those critics, but in this particular area, in this piece of legislation, I feel the Federal Government is fulfilling an obligation to the various school districts and should be required to do so.

There are certain sections that I would like to see changed in this bill, but in terms of the total impact of the bill, they are relatively inconsequential to the bill and I urge its passage.

I yield back the balance of my time.

CIV—448

Mr. BARDEN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Mr. Chairman, I am particularly glad that the distinguished chairman of the full committee said some of the things which he did about this legislation, and that my colleagues on the other side of the aisle, particularly the gentleman from New Jersey [Mr. FRELINGHUYSEN], stated the same sort of things.

Those of us who believe in Federal aid to education in other areas can at least get some solace from this measure, which does, in fact, recognize a previously unanimously approved Federal responsibility for the education of the children of those who work for the Federal Government, who are in a sense foisted upon the 3,300 school districts in the country which receive money under Public Laws 815 and 874. I think it is safe to say that without Public Laws 815 and 874 the educational systems in these school districts would be in a state of complete chaos, because, as is said so many times, the Federal Government is, in most cases, an uninvited tenant of the community; the Federal Government comes in and takes taxable property off the local rolls and brings hundreds and thousands of people and their children to the communities. And those children must be educated.

This particular legislation, which, through the courtesy of the members of my committee—and I am extremely grateful to them for it—bears my name, evolved out of a peculiar set of circumstances this year. In an obvious attempt to balance the budget, the administration proposed that, in fact, Public Laws 815 and 874 be scaled down yearly and go out of existence in 1963.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I hesitate to interrupt the gentleman in his discussion, but it seems to me an unfair description regarding the administration's position to say that the proposed contraction of the program was in an obvious attempt to balance the budget. The dollar amount involved is very small. As I understand, the basic reasoning of the administration's proposal that there should be some curtailment of this program was—

Mr. THOMPSON of New Jersey. Well, there was to be curtailment, I will say. And, I am not here to make a political speech, and I am sorry if I have offended you. I am here, however, to state the facts.

The dollar amount is emphatically not small. Two hundred million dollars a year is no small amount. The administration proposed that this amount be cut 20 percent per year until 1963, when the law was to expire. It was an ill-considered and unsubtle economy move.

Mr. FRELINGHUYSEN. There was to be an elimination of part of the program.

Mr. THOMPSON of New Jersey. If my learned colleague from New Jersey

will allow me, in my colloquy with Mr. Richardson, the Under Secretary, I asked whether this involved a new definition of "impacted," and he said, "Oh, yes." I asked him whether he had statistics to prove his case, and he said unfortunately he did not. I asked further where this concept originated that he came to our committee with, namely, that after the children were in the community for a certain period of time the impact dissolved because of the contribution by their parents in spending and for other purposes in the community. This was the essence of the administration argument. It was not valid.

Mr. FRELINGHUYSEN. How would the gentleman feel about an employee of the Federal Government who owns taxable property? Is he a burden on the community while a non-Federal employee would not be?

Mr. THOMPSON of New Jersey. In my opinion, he is not, unless he works on Federal property which has been taken off the tax roll. Now, if I may finish my statement, I will yield later.

Mr. FRELINGHUYSEN. It is not because there is land taken off the tax roll which creates an obligation; not that a property owner is working for the Federal Government. In many cases land is taken off the tax rolls in a district other than the school district where the children are going to school. And yet the school where the employee resides gets the benefit.

Mr. THOMPSON of New Jersey. I hesitate to offend my friend, but I decline to yield further at this point.

This legislation for the first time acknowledges the Federal Government's permanent responsibility for the category A students. Those are students of persons who both live on and work on Federal property. About this there was complete unanimity, and I am delighted that it has come to the point where it is recognized. This concept which the committee has adopted for the first time this year is carried through the legislation. It is an historic step in legislative history.

It is evident in the fact that in another liberalizing amendment, category A students shall be counted and paid for as A students wherever they are for the first time. Heretofore, for some unexplainable reason—in order to qualify school districts with a preponderance of B pupils, with some A's, could count the A's in order to qualify, and then they would pay for the A students at the B rate. That will no longer be the case and those Members who have impacted school districts in their Congressional Districts will be glad to be able to report to their school authorities that they will now be paid for A's at the A rate all the way through.

This, as my colleague from New Jersey [Mr. FRELINGHUYSEN] said earlier, is relatively old hat in the form of legislation. It is in its eighth year.

The section-by-section analysis is difficult. Those who have spoken previously have explained the major amendments. I am in agreement, however unfortunate the situation in Montgomery,

Ala., is, that unless each and every district so impacted could be taken care of—and this would involve considerable research and expense—that this amendment should be eliminated.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Alabama.

Mr. ELLIOTT. Is the gentleman's reference to the amendment having to do with Birmingham, Ala.?

Mr. THOMPSON of New Jersey. I meant Birmingham.

Mr. ELLIOTT. Is it the gentleman's purpose, and did I understand the gentleman to say that he would offer an amendment to strike out the language that would benefit the children of parents who work for Hayes Aircraft Co. in Birmingham?

Mr. THOMPSON of New Jersey. No, the gentleman did not say that and he will not, but he would support such an amendment. The gentleman from New Jersey has an identical situation in his Congressional District and would like to see this if only yours and mine could be taken care of. But unfortunately it would involve tremendous expense in Western States and elsewhere.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the dean of our New Jersey delegation.

Mr. WOLVERTON. Mr. Chairman, I wish to commend the gentleman, my colleague from New Jersey, for the interest he has taken in this very important matter. He has, during his term in the House, given it much consideration. The present bill, which is based on that which he has introduced, takes into consideration the changing conditions and, in my opinion, is sound and well considered.

The subject of education is too important to permit any phase of it to go unnoticed and the necessity to help municipalities which have had a great influx of workers due to Federal activities has been apparent for several years. In some instances this has created conditions that have made it difficult for local governments to meet the increased cost without a burden of taxation that is prohibitive. The purpose of this bill is to financially assist such areas. The bill is entitled to have the full support of this House.

Mr. Chairman, I congratulate him upon the success he has had in having this bill voted out, and also commend the committee and its chairman for the fact that they have given consideration to this well-intentioned, well-thought-out bill introduced by my friend from New Jersey.

Mr. THOMPSON of New Jersey. I thank my friend, the dean of our New Jersey delegation.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, first I wish to compliment the distinguished gentleman from New Jersey; but I wonder if I understood the gentleman correctly when he stated that he would sup-

port a certain amendment. That amendment to which he referred I take it concerns the so-called flight training schools. I want to say to the gentleman that it is my information there are only 12 or 13 of those schools in the United States where the airports are owned by the municipalities. I feel it would be a grave injustice to discriminate against them.

Mr. THOMPSON of New Jersey. The gentleman was not talking about the flight training schools. The gentleman was talking about the peculiar circumstances in which aircraft modifications are undertaken on municipally owned property for the Federal Government.

Mr. LANKFORD. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. LANKFORD. First, Mr. Chairman, I want to congratulate our colleague, the gentleman from New Jersey, on this legislation which I wholeheartedly support. I would like to refer to the colloquy the gentleman just had with his colleague from New Jersey [Mr. FRELINGHUYSEN] and ask if this is not his understanding, and if this is not correct, that in many instances the installations of the Federal Government take the place of what would normally be tax-producing commercial and industrial plants. That is where the impact comes, and whether the federally connected worker owns his own home or not, we all know full well that the taxes that are paid by private homeowners on their homes do not pay for the school facilities for the children. The taxes paid by industrial plants and industry generally constitute by far the major source of such tax revenue as is necessary for school construction.

Mr. THOMPSON of New Jersey. The gentleman from Maryland is quite right. That is the theory and the fact. This is simply compensation for the impact created by the Federal Government. Further, in this legislation there are other amendments and one of which I am particularly happy to see in the bill makes a significant change in the treatment of Indian children. This was a matter of considerable interest to a number of Members. The distinguished gentleman from Montana [Mr. MERCALF] caused its introduction into this legislation.

The legislation itself has been codified and rewritten and except for minor matters referred to by the chairman of the full committee, I think it is much improved legislation. It, among other things, makes the terminal date for both Public Law 815 and Public Law 874 the same so that it will enable us to have a periodic examination of the need for the Federal Government to continue its support for the category B and C children.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he consumes to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I strongly urge the passage of the bill H. R. 11378 which continues the programs providing financial assistance for the construction

and operation of schools in federally impacted school districts. This program means a great deal to the State of Maryland since we have so many Federal activities. Fourteen out of the 24 school districts are qualified for assistance, under the law. Our school population has literally exploded since the law was first enacted in 1950 and in spite of increases in our school taxes on the local level, we cannot keep up with the classroom demands.

This legislation will provide some relief to the local governments who, of course, provide the needed facilities and who do not receive any reimbursement from the Federal Government for installations located within the area in the way of taxes. The Federal Government evades its responsibility as an employer in a community when it refuses to pay its fair share of the cost of local government. As an employer in a community it gets the benefit of all local government services. If it can evade this responsibility by arguing that it provides good salaries for the people who work in the community, a private employer should be relieved of taxes on the same basis.

Under the school construction and maintenance laws the three qualifying counties in my Congressional District—Frederick, Montgomery, and Washington Counties—received in the neighborhood of \$3,800,000 last year. These counties have been unable to catch up with the tremendous building program caused by the sudden influx of children of Government families since World War II. It seems to me unthinkable that this program should be curtailed or ended at this time. We must give it overwhelming support.

Mr. PORTER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Chairman, the people of my District, the Fourth Congressional of Oregon, favor legislation granting relief to school districts which have been impacted by the activities of the Federal Government.

They are familiar with Public Laws 815 and 874 which provide construction and maintenance and operation assistance. Schools in Oregon, for example, had an entitlement of \$959,503 in combined categories A and B during fiscal year 1957 under Public Law 874.

But more interesting to me is the separating of the A and B categories. The A category totals \$106,402; the B total is \$853,101. And 110 school districts participated.

In my District, under Public Law 874, 31 school districts qualified. Their A category total was \$5,817. The B total was \$351,207.

I believe this legislation which proposes to make permanent the A category pupil, whose parents live on and work on Federal property, is desirable. The sample figures I have quoted indicate that category promises only a small portion of the total.

I certainly believe that legislation extending B and C category children until



1961 should be approved. A principal objection to the elimination of the B category, the children whose parents live on or work on Federal property, is that such situations will increase in all likelihood. Let me state for the Record, Mr. Speaker, that I discovered a considerable amount of ill feeling toward the administration's thinking that these two laws could be curtailed when I was visiting in the district.

Throughout the district, educators and parents seek the extension. In many school districts 50 percent or more of the students have parents engaged in Government activity.

The county of Jackson last year received \$36,000 from the two laws. Nearly half of the county land is owned by the Government. Statistics show that 46.4 percent of the county is owned by the Bureau of Land Management or the United States Forest Service.

Jackson County School Superintendent Alf B. Mekvold tells me forest receipts last year were \$2.74 per pupil while the education cost per pupil, excluding building outlay, was \$474.18. Without A and B category relief, the county obviously would lose assistance it needs to help meet obstacles it did not establish.

Throughout my district, the story is similar. Tiller District in Douglas County is made up primarily of Government land. The parents of 50 percent of the students attending Tiller School work on forest lands and live on private land with little tax valuation.

Mapleton public schools in Lane County are in a district that is 66 percent Forest Service land. The Oakridge School District in the same county has a greater student load because of a nearby public works project.

Mr. Chairman, I see H. R. 11378 as the first step of a Federal program of aid to education this year. School construction and maintenance under H. R. 11378, I believe, advances positive means by which we can, one, bolster economy; two, relieve classroom crowding; three, stimulate better education through improved surroundings.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I arise in support of H. R. 11378 now under consideration by the Committee. This bill would extend benefits provided under Public Law 874 to certain school districts offering educational facilities to dependents of persons who are in the employ of the Federal Government or are members of the Armed Forces.

My position on the issue of Federal aid to education is clear to Members of the House. I have voted against, or was paired against, that type of Federal aid to schools on each occasion that it has been before the House. Fundamentally, I believe that education is a local responsibility and that the cost of education and philosophy of education should be reserved for the States and more particularly to the local communities and school districts.

The impact of Federal institutions and facilities on a school district was

not recognized for many years as being a responsibility of the Federal Government. Because of the rapid increase of such facilities during World War II and the concentration of these facilities, especially defense installations in a restricted area, the resulting educational problem immediately became an undue burden for the local interests and was then recognized to be a matter of Federal responsibility the same as any other burden that is placed on a local community by the Federal Government. It was anticipated when the original statute was passed that this educational burden would dissipate or would be assumed by the local district. Had our defense installations continued to be dismantled as they were following World War II possibly the original premise, that this burden could be locally assumed, would have been feasible. We all know now, of course, that the outbreak of the Korean war brought a renewed effort by all such Federal installations and therefore the burden of providing educational facilities continued to be unreasonable to the local areas providing such educational facilities.

If these defense or other Federal installations assumed their fair share of the local tax assessed valuation, then of course there would be no justification for legislation of this type. Since these installations do not carry a tax responsibility the provisions of Public Law 874 actually state that the Federal Government recognizes their responsibility and will provide such assistance as is reasonable to these impacted areas by virtue of this legislation rather than the conventional responsibility of ad valorem tax.

Yes, of course, my District participates in the benefits authorized under Public Law 874; since the First District of Kansas does contain a considerable number of Federal installations, the benefits are quite important. More precisely it is estimated that the First Congressional District will receive, in lieu of taxes for this year, the amount of \$848,039.48. Quite naturally Shawnee County, containing several Air Force installations as well as the usual Federal offices located in the State capitol, receives a substantial portion of this allotment. Also participating from benefits under this public law is Leavenworth, Riley, Jefferson, Pottawatomie, and Clay Counties. These amounts range from slightly in excess of \$6,000 for Jefferson County up to \$356,000 for the above mentioned county of Shawnee.

When we go back into the House Mr. Chairman, I am going to ask permission to insert quotations from interested persons in my District urging prompt and favorable consideration of this important legislation. I sincerely hope the committee will act favorably at the conclusion of this debate this afternoon.

I include the following letters:

BOARD OF EDUCATION,

Topeka, Kans., January 21, 1958.

The Honorable WILLIAM H. AVERY,  
House of Representatives,

Washington, D. C.

DEAR MR. AVERY: Very soon, if they are not already engaged in it, I understand the House Education Subcommittee will begin

public hearings on the matters of extension and modification of Public Laws 874 and 815.

Although our Topeka School District No. 23 has never qualified for any assistance under Public Law 815, we have seen nearby smaller school districts in the last 4 or 5 years receive major assistance from that source. Without that assistance those districts would still be struggling with an almost insurmountable financial problem to provide housing for the heavy impact of school enrollment that has taken place in their districts. So, although we in Topeka are not directly affected, we would urge that Public Law 815 be extended and that the benefits now provided by the law not be diminished.

As for Public Law 874, our Topeka schools for the 1956-57 school year qualified for an entitlement of \$127,000. Our major source of support for public schools in Kansas, as you are aware, is the ad valorem property tax. The assessed valuation per pupil in our school district, because of greater numbers of schoolchildren, has been decreasing steadily year after year for the past several years. This has been offset to a great extent by increasing the rate of levy. Failure to extend Public Law 874 or action on the part of Congress to cause any major decrease in the benefits from that source will only increase the burden on the ad valorem taxpayer and will further intensify the problem of the schools to finance reasonable budgets for operation. I strongly urge the extension of Public Law 874 and without reduction of present benefits.

Of the proposed changes in extending Public Law 874 I refer you to the one to "reduce the 6 percent qualifying requirement for large schools to 3 percent the same as for smaller schools." It seems to me such percentage should be the same for all schools.

Very truly yours,

T. A. KERR,  
Business Manager.

MANHATTAN, KANS.

Representative WILLIAM AVERY,  
House Office Building,  
Washington, D. C.

DEAR REPRESENTATIVE AVERY: I understand that the program of Federal aid for schools in federally affected areas is up for renewal this year. Is it correct that an administration proposal would restrict this aid only to instances where the Federal personnel both live and work on Federal property?

Does this mean that the Manhattan schools would receive no aid for children of Tuttle Creek workers or for the children of Army personnel from Fort Riley who live in Manhattan?

If so, this seems unfair to a school district like Manhattan which experiences a considerable increase in enrollment because of Tuttle Creek and Fort Riley.

I would appreciate some more information on this matter.

Sincerely,

LEONA VELEN.

LEAVENWORTH, KANS., January 25, 1958.

HON. WILLIAM H. AVERY,  
United States Representative,  
House of Representatives Building,  
Washington, D. C.

DEAR REPRESENTATIVE AVERY: It has been called to our attention that with the expiration of Public Law 874 as of June 30, 1958, there is a possibility some drastic changes might be made in the law affecting federally affected areas pertaining to school aid.

Our board of education, city of Leavenworth, urges you to use every effort to see that the school aid as given under Public Law 874 continues in its present or similar form inasmuch as the school district of the city of Leavenworth, without the aid from

Public Law 874, would find itself in a position where drastic cuts would be necessary in order for the schools in the district to operate.

Here are some of the facts as to how it would affect the city of Leavenworth if aid was cut to school districts residing in or near federally affected areas:

At the present time we have enrolled in the city of Leavenworth public schools 126 children who would classify as 3 (a) children under Public Law 874 who reside on Federal property and parents work for Federal agencies. We have enrolled 1,606 3 (b) pupils, whose parents are employed on Federal property but reside in the city of Leavenworth. This makes a total of 1,732 pupils whose parents are employed on Federal property out of a total of 3,800 children or about 46 percent of the school population come from families who are federally affected or employed on Federal Government property. Under Public Law 874 the amount of entitlement is based on average daily attendance of pupils. The total average daily attendance is 5 to 10 percent lower than the total students enrolled during the year.

Last year, that is, for the year 1956-57, there was a total of 1,758 children out of a total of 4,031 who were federally affected enrolled in Leavenworth public schools. Percentage-wise, approximately 44 percent.

The estimated cost per pupil in the Leavenworth system is approximately \$312.65. The local contribution rate through which the funds for Public Law 874 are distributed at the rate of \$185.25 for those who reside on Federal property and also work on it, and \$92.62 for those students whose parents live in Leavenworth and are employed on Federal property. As you can see this does not begin to pay for the cost of students, but we do get some State aid to make up part of the balance. We estimate that the high per pupil cost in Leavenworth is partly due to the rapid turnover of federally affected children. Some are here for only 4½ months, some for 1 year, some for 3 years or longer, depending upon the length of the course the parent is taking at Fort Leavenworth or the movement of employees at Wadsworth or the Federal penitentiary.

Our enrollment in Leavenworth during the last 10 years has increased one-third from 2,688 on September 1947, to 3,800 in September 1957, a total increase of 1,112 students. From the information we have received, the Federal activity will increase at Fort Leavenworth, which will increase our enrollment and our school problems. It seems, at this point, that activity at both Wadsworth Veterans' Administration and the Federal penitentiary will not decrease.

The budget for the school district this year is approximately \$1,136,000, of which we have estimated we will get approximately \$110,000 from Federal funds under Public Law 874. As you can see, about one-tenth of our budget is derived from Federal funds under Public Law 874. Our total expenditures have doubled during the past 8 years from \$654,802 in 1950-51 to approximately \$1,136,000 in 1957-58.

The mill levy for the school district, including the total in the general and building funds and special high school fund, bond, and interest, teacher annuity and special education and special building fund, amounts to 34.34 mills and add to that the county high school levy of 6.43 makes a total school ad valorem levy against tangible property of 40.77 mills. As you can see we have just about hit the limit as to the amount of money we can raise from local taxation. During the past 10 years the board of education has issued bonds to build 6 school buildings amounting to \$2,700,000 and an additional approximately \$300,000 was spent for equipment, making a total of approximately \$3 million in bonds being issued by the board of education of the city of Leavenworth,

Kans., in the past 10 years to provide housing for children in our schools. Of that amount the Federal Government supplied \$17,914 to aid in building a high school ROTC building and we have been unable to qualify for any other Federal aid under Public Law 815 due to a technicality in the law, since the law was designed to help federally affected areas having rapid growth due to war activities after 1939. As you know, Leavenworth has lived with this thing for over 100 years. Therefore, we could not show a large enough percentage gain to qualify for any of the building that we desperately needed. In spite of that, the board of education went ahead on its own and taxed the local taxpayers the full amount allowed by law for building purposes, hoping that the Government might help some in the instructional end which they have done up to this point. The board of education still has \$950,000 in bonds to sell from the last bond issue, the levy of which has yet to appear on the tax roll mentioned above. This is about all the local taxpayers can take.

At the present time we are building a \$1¼ million high school and at the same time some of our grade schools are so crowded that we have to have classrooms in the auditoriums, activity rooms and in hallways, and it is impossible for the board of education to issue bonds since they have reached the limit provided for in the law.

If the Federal Government did withdraw the aid to federally affected areas it would mean that there would have to be reduction in personnel or in salaries paid to teachers. It appears, although it is not final, that for the first time since salaries started to increase back in the late thirties that the board of education will be unable to increase teachers' salaries this year which comes at a time when people are taking a new look at the schools and are demanding better performances by the teachers and better qualified teachers. This will put the school district in a position where we may lose some of our better teachers to other schools who are increasing salaries and discourage other teachers from remaining in the teaching profession.

We hope that you will use every effort that you can to see that no reduction is made in the amount of money available to schools that qualify under Public Law 874.

If we can furnish you any correct information as to how this will affect our schools we would be very glad to help you. All you need to do is to drop us a note.

Yours truly,

E. PAUL LESSIG,  
Business Manager-Clerk,  
Leavenworth Board of Education.

Mr. RHODES of Arizona. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I take this time to ask a question, if I may, of our distinguished chairman of the committee, the gentleman from North Carolina. I ask this question of the chairman for the purposes of clarification. I see in the report, on pages 12 through 31, a discussion of the Davis-Bacon Act and the predetermination of wage rates and other wage matters. I simply want to ask the gentleman, not finding the answer to this in the bill itself, has the Davis-Bacon law been changed in any way in this bill from its past use?

Mr. BARDEN. Not at all. It is the same thing. The Davis-Bacon Act has been changed only by the administration of it and then it has been changed in the wrong direction. But, the same law applies under this bill as applied in the original law.

Mr. ALGER. If I understand the gentleman then, the Davis-Bacon Act still does not permit any court review or judicial review of the Secretary of Labor's final decision of wage rates when it comes to that; is that correct?

Mr. BARDEN. Regretfully, that is true.

Mr. ALGER. Is this a further violation, would the gentleman say, of our States rights to set their own local wages and local bargaining?

Mr. BARDEN. Let me say to the gentleman that this is one provision I accepted in the law which I did not particularly care for—as a matter of fact, I did not like it a bit, to be frank about it. But, I will say this to the gentleman, that the Davis-Bacon Act certainly needs some overhauling. There is no question about it. The administrator has gone so far afield that it completely ignores the States or anybody related to the school system as to any existing actual facts about labor rates, and they completely ignore local labor rates and go, perhaps, 100 miles away to find rates that somebody recommends to them.

Now that is the situation, and I regret it. But the Davis-Bacon Act is a part of this law and is administered by the Secretary of Labor as he administers it in connection with other laws.

Mr. ALGER. I thank the gentleman. I share his concern about the use of Davis-Bacon in these communities. After studying this I am disappointed by the broad coverage and loss of local and State jurisdiction.

Mr. BARDEN. We did not amend the Davis-Bacon Act in this act. We simply include the Davis-Bacon Act in this act. The Davis-Bacon Act is the same as it has been all the time.

Mr. ALGER. I understand, and therefore all the same faults are included in this bill, in violation of our present States rights.

Mr. BARDEN. I am bound to agree with the gentleman.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ALGER] has expired.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DIXON. Mr. Chairman, I rise in support of this legislation.

The bill makes permanent Federal aid for buildings and school operations to districts for children who live on and whose parents work on Federal property—category 1.

It extends until 1961 aid for buildings and school operation for children who live on or parents who work on Federal property as well as for children whose parents work in defense plants.

The measure recognizes the continuing and permanent responsibility of the Federal Government to provide financial assistance in construction and operation



of the district's children in category 1. This takes some uncertainty out of budgeting.

It liberalizes the laws that are expiring by eliminating redtape and the routing of applications through at least four departments of the Government by inviting districts to accept payments for Indian education without forfeiting payments under the Johnson-O'Malley act and by interpreting Federal property more liberally.

It tightens restrictions on the other hand by removing the escalator effect of the law that is expiring in increasing the amount of money per pupil. Under the new law this amount for 1958-59 was \$144.37. Under the old law it was \$151.40.

The threat to eliminate categories 2 and 3, on the assumption that the need for Federal aid for impacted school areas was rapidly declining, was extremely upsetting to Utah school districts. For example: San Juan County had 17 percent of its school population eligible in 1951 but 49 percent in 1956. Tooele County 56 percent in 1951 and 53 percent in 1956; Davis County 37 percent in 1951 but 41 percent in 1956.

Furthermore, entirely new military plants are being established in northern Utah, the impact of which has hardly been felt. The Utah State Society of Superintendents were so concerned about the proposed changes in aid for federally impacted districts that they sent two of their representatives, Superintendents Sam Morgan of Davis County School District and Sterling Harris of Tooele County School District, to testify before the subcommittee when H. R. 11378 was being formulated. They showed, for example, that under Public Law 815 Weber County had received \$3,072,558 since 1950 and \$2,349,875 from Public Law 874. For the same period, Ogden City had received \$1,526,104 under Public Law 815 and \$1,067,565 under Public Law 874.

Four of the small county school districts had received for buildings alone, \$1,095,276 and for school operation, \$2,075,766. There is little wonder that these superintendents and boards of education expressed great anxiety at the threat to delete categories 2 and 3, because under category 1 alone, these districts would have received very insignificant amounts.

Inasmuch as some of these districts were already taxed to the maximum limit of the law and depending upon an expansion of the expiring acts, they naturally will be thrown into great confusion if H. R. 11378 is not approved.

I commend the committee for its careful work in drawing up this measure and express the hope that the House will approve the committee bill.

Mr. RHODES of Arizona. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of H. R. 11378. I would like to congratulate the chairman of the subcommittee, the gentleman from West Virginia [Mr. BAILEY] and the members of his subcommittee for the deep interest they have taken in this

subject, and the consciousness they have demonstrated in bringing this bill before us at this time.

There are many school districts in this country that are waiting anxiously for us to take action upon this legislation so that they may be able to prepare their budgets for the next year accurately and properly, knowing exactly what funds they may be entitled to from Federal sources, which this bill will provide.

I do not think there is any question but that the Federal Government does have a clear responsibility to the school districts in these impacted areas. In the district I represent the Travis Air Force Base is located, and it affects two local school districts and a number of surrounding districts. One of those districts, Crystal Union school district, has 1,360 school youngsters, of which 1,188 are youngsters whose parents work at the Travis Air Force Base. That means that 87 percent of the youngsters attending that school are from federally impacted families. It would be impossible to conceive of a situation where the burden of educating those 87 percent of youngsters would be forced upon the remaining 13 percent of families who live in the surrounding area on private property. It would be impossible for 13 percent of the families to pay for the cost of educating all of the children in those schools.

There is another small school district on the other side of the same base, Center School District, which has only about 30 farm families in it, and at the present time there are 500 Capehart housing units being built at the base, of which about 400 will be in this small school district. Once again it would be impossible to conceive of forcing the burden of educating the children of 400 additional families upon 30 farm families who live in that district.

I join with others who have stated that there is a clear responsibility on the part of the Federal Government in these areas. When a family has its wage earner working on a Federal installation, in my opinion there is a definite reduction in the potential tax base in such a community. There is no diversity. There is no well-rounded tax base in such a community as there is in a community where there may be various industries and businesses that may be paying taxes.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. HOSMER. I represent a district which is impacted by federal activities and from the experience of this district I would like to second everything the gentleman and other Members have said on behalf of this bill today. I hope it will be passed, and passed without crippling amendments.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. TEAGUE of California. I, too, of course, am very much interested in the passage of this legislation and I want to join the others in commending the

members of the very fine subcommittee which brought out this bill for our consideration today.

I have 10 major military installations in my district. Actually I am very much concerned about the effect, the vitality, the essentiality of this legislation. I have every confidence it will be adopted by the House.

Mr. BALDWIN. I thank the gentleman.

Mr. Chairman, I am particularly pleased to see that the Committee has now established this legislation as permanent legislation for category A children and has made an extension for at least 3 years for category B children. I think this is a step in the right direction, for the many school districts involved will now have a greater sense of security in making their plans for future years.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, the bill now under consideration provides funds for schools in areas where the pupils of a school are of parents who live on Federal lands which are exempt from taxes or whose parents work in military establishments.

Without the aid provided by this bill, many school districts would suffer financially and be unable to maintain the high type of curriculum desired and needed.

I supported, by my vote and my voice, the first bill of this kind when it was considered and passed 8 years ago. I have supported, each year, the renewal of this legislation. I am satisfied from my talks with educators throughout my district that this is good legislation and that it has worked well and effectively to strengthen the school system of my Congressional District. I, therefore, intend to vote for this bill today. I, also, will vote against all crippling amendments that might endanger the passage of this bill.

Mr. RHODES of Arizona. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I rise in support of the bill H. R. 11378 which proposes continued financial assistance in the construction and operation of schools in areas affected by Federal activity.

I am directly opposed to the plan which would reduce Federal funds for the programs of Public Laws 815 and 874. Federal assistance to these impacted areas is merely a formula by which the Government meets only a portion of its moral obligations to the communities in which it is operating. Most emphatically this is a problem and a responsibility which the Federal Government must continue to recognize.

As I stated during the hearings on this matter, a decrease in Federal aid to school districts affected by Government activities at this time is not reasonable. Education is widely recognized as a vital factor to the Nation's readiness for the crucial times ahead—certainly this is no time for the Federal Government to withdraw from a field where it is directly

responsible for creating tremendous burdens.

The Federal Government for several years has recognized its responsibility to help build and to help finance the operation of schools where its own programs have swelled enrollments. This responsibility is a continuing one. It is a responsibility especially necessary where large Government agencies are being relocated. Such a relocation is the move of the Central Intelligence Agency to Virginia. This move, for instance, will bring thousands of families with children to my district, and will create a tremendous burden for the school system in Fairfax County, particularly.

In that one county alone, the school population each year now increases by 5,000 pupils. The Fairfax County school board, which recently reported to the Committee on Education and Labor, is justly proud of the manner in which the county has provided classrooms needed by the swelling school population, and has made substantial gains also in teachers' salaries. The operating outlay per pupil has risen from \$159 per pupil, 1950, to \$275 per pupil today. Similarly, the teacher who joined the staff at \$2,500 in 1951 is now drawing \$5,000, or twice as much. For school construction alone in Fairfax County \$55 million has been spent on new school plants since 1950. Of this amount, the State of Virginia has provided less than \$2 million and the Federal grants under Public Law 815 have provided \$9 million, but the people's own current taxes and borrowing have provided more than \$40 million. The county school board is therefore able to report that for every dollar the county has drawn from Public Law 815 funds, Fairfax has provided almost an additional \$5, even though about one-half the youngsters are federally connected. And, because the county must provide for 4,500 to 5,000 additional youngsters every year, the Fairfax County school board has said: "If we let up, if we fail to build 2 classrooms every 3 working days of every year, we are lost."

I think this county has a splendid record, and I agree with the county board members when they say:

It has been said, often and well, that education is primarily a State and local responsibility. Fairfax County certainly is carrying the primary responsibility for its schools. Yet, where the Federal Government itself is imposing major new costs on a community, while at the same time removing land from the local tax base, then it seems only fair that the Federal Government accept responsibility for at least a part of the new costs it is creating for the locality.

A similar situation exists in Falls Church where the efforts to meet the need for public schools have been considerable also. Figures cited by the superintendent of the Falls Church public schools show that the assistance to the schools under Public Laws 815 and 874 is essential to the maintenance and improvement of the educational program required to meet present-day demands. Some measure of the Falls Church efforts can be understood from the fact that for every dollar received from Pub-

lic Law 815 more than \$4 have come from State and local sources. For the current fiscal year, it is reported that 73 percent of the money raised by taxation in the city goes to schools. In spite of this, the funds urgently needed for facilities are reportedly nowhere in sight at the moment. Obviously, any reduction in Federal assistance for current operation will be followed by a proportionate drop in the quality and scope of educational opportunity, as predicted by the city school superintendent because the community cannot make up the difference if Federal funds are reduced or withdrawn entirely.

We know that no community could survive economically if it exempted all of its industries—the places where its population works—from payment of local taxes. This is, in effect, what happens to these communities in which the Federal Government is operating, and to which the Federal Government does not pay taxes on the land on which it is operating.

In Arlington County, the problem of school finance is complicated because of the extensive Federal holdings in property which are not income producing. Since Federal property is tax exempt, and the property tax is the principal source of local revenue, Federal ownership of property involves significant reductions in the local tax base and the local revenue potential. The superintendent of schools of Arlington County, T. Edward Rutter, stated their particular problem well when he said:

Statistics show, in accordance with Public Law 874, that 56.7 percent of the 23,009 children in Arlington schools have parents working for the Federal Government. Very few of these parents live on Federal property. Whether these parents live on or off of Federal property, Arlington County is still responsible for the education of their children, as responsibility brought about by the influx of Federal workers desiring to live in Arlington. The school population has increased from 7,979 in 1940 to 23,009 at present.

If the revenue which has been received under Public Laws 815 and 874 for the past 7 years is permitted to taper off it will place an undue burden on the tax structure of Arlington County.

The main source of income is from taxes on real and personal property from homeowners and not from industry.

A decrease in revenue from the Federal Government could do only one or two things; either reduce the standard of education or increase the tax burden unduly on the homeowners.

There is yet another city in the 10th District of Virginia which has had to deal with the problems of a federally affected school district. I refer now to the city of Alexandria. As you know, Alexandria is primarily a residential area serving the Nation's Capital. The schools of this city, according to a statement by the city government, have been greatly expanded both in school construction and operation in accordance with the provisions of Public Laws 815 and 874. There are millions of dollars of tax free Government properties located in this city, and such tax free property represents a loss to the city of money which might be used for education.

Taking the northern Virginia community as a whole, there is a total school population of 82,000. Approximately 55 percent of this total population are children of parents who work on Federal property. The total annual cost of operating and maintaining these schools is approximately \$30 million a year. During the fiscal year 1957 the Federal Government, under Public Law 874, contributed only \$3,500,000 as its share of operating expenses for educating approximately 45,000 federally connected children.

It is easy for anyone to see that these communities do not make a profit as the result of the Federal Government's operating in our area tax free.

Insofar as school construction costs are concerned, since 1950 when Public Law 815 was put into effect, our northern Virginia communities have received a total of \$17 million from the Federal Government under this law. However, these communities, since 1950, have spent over \$150 million in school construction and have bonded themselves into debt in the amount of \$100 million.

Again I say that, since 55 percent of the school population in my District are the children of Federal workers, \$17 million is a very small portion for the Federal Government to pay for their share.

Our communities are willing to go into debt and to make whatever sacrifices that are possible to be made in order to build and maintain an adequate school system. But it would be grossly unfair for the Federal Government not to pay a portion of this cost in turn for the privilege of operating in our communities.

If the Federal Government would pay to the communities some form of payment in lieu of taxes on the property which it owns, then I would have no objection to this law expiring. But until such a law is placed upon the statute books, I am committed to the support of continued Federal assistance to schools in federally affected areas.

Surely as we attempt to provide training in specialized areas of study for millions, and as we attempt to help our young people develop better understanding and more extensive knowledge for their later tasks as leaders and responsible citizens, this is not the time for communities to have to lower their educational opportunities because our national Government has failed to do its part.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I just want to ask a brief question. I am sure that the members of the committee, at least, are well aware of the problems which the gentleman faces, and the citizens of Virginia face, with respect to Federal employees living in the greater Washington area. My question is this: If you have one school district with a large Federal installation and adjoining that you have a residential area, if you let the residents of that residential area who are Federal employees qualify for Federal assistance,



the area benefited is the area where they live, not where the installation is. If it is right that an obligation exists because there is a Federal installation, should not those payments be made to the adjoining school district and not to the residential district?

Mr. BROYHILL. The gentleman makes a very good point. In many States where that situation exists there are reciprocity agreements, because the main cost, after all, is the operation of the school. I grant you, the place where the employee has to work and the community in which that property is located receives the benefit.

In a metropolitan area like this you do have the problem of overlapping of boundaries where it works vice versa. There are people living in adjacent communities who do not work in the community where the schools are. It generally balances off, however.

Mr. FRELINGHUYSEN. The gentleman will agree that the Federal impact applies where the installation is and not where the people live, as a practical matter?

Mr. BROYHILL. As a practical matter, yes.

As I pointed out a moment ago, if we were permitted to assess Federal property in Arlington County, Arlington County would receive \$12 to \$13 million, around eight times as much as it receives as the result of this law. But, in the case of Alexandria, the chances are that they would not receive quite as much.

Mr. FRELINGHUYSEN. I thank the gentleman very much.

Mr. RHODES of Arizona. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I rise in support of the extension of Public Laws 815 and 874 as modified and reported by the committee. I have always supported this legislation.

Basically the reasons are that today we have large installations, that is, Federal installations, and the Congress has had the foresight to look after the comfort and the betterment of the services by providing housing on these installations. And, they have set up commissaries on the installations, which take away the buying power of the people as far as the community is concerned. However, the children of the Armed Forces, principally, are in need of the necessary facilities in order to secure an education. Therefore, it has brought hardship upon the communities where the installations are located, and in my opinion I believe that this is one way to take away some of the responsibility that would have been placed upon industry and upon the homeowners of these respective communities to provide these necessary additional educational facilities.

Now, I note here on page 2 of the report—and I should like to address my remarks to a member of the committee—this language:

In the case of the so-called category A pupils—children of persons who reside and work on Federal property.

Now, Federal property, of course, in many cases is owned outright by the United States.

In a great many cases the States have leased the property to the Federal Government without fee. This is also true as far as municipalities are concerned. It would seem to me that if you are going to have this provision work in the best interest of the students who are housed on the Federal installation, it should read federally operated installations instead of Federal property. I do know that in many cases in my District we have Federal installations located on State property and on property that has been leased by the municipality.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman.

Mr. METCALF. The gentleman, of course, is bringing up a subject of controversy that arose around the jet-engine modification and flight-training schools where the property is not Federal property but is only federally operated property. Some of those have been selected for special treatment. Perhaps the gentleman has pointed out a way in which the bill should be modified so that there would be equality of treatment. But that is a controversy that is going to come up on a proposed amendment to eliminate modification of jet-engine and flight-training schools.

Mr. KNOX. Mr. Chairman, also I might state that we do have property which the Federal Government constructed during World War II in the form of buildings for the production of certain equipment. Since that time this property has been leased to private industry, but it is still Federal property. I am wondering whether or not the committee has taken that into consideration so that we would not become involved with the cost of education of children whose parents worked on that property.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman.

Mr. METCALF. Section 15 of the bill covers that under "Definition" and it is found in the report at page 81:

The term "Federal property" means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia.

Mr. KNOX. Then your committee has taken care of the points I have raised on Federal property.

Mr. METCALF. Yes, sir.

Mr. KNOX. Mr. Chairman, I wholeheartedly endorse H. R. 11378 and recommend its passage.

Mr. BARDEN. Mr. Chairman, I yield 7 minutes to the gentleman from Arizona [Mr. UDALL].

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. DOYLE. Mr. Chairman, I take these few moments to state that I am strongly in support of this legislation. It is timely, it is commonsense and it is fair. I take the time to make this

statement because the Committee on Armed Services is meeting at 2 o'clock and I must attend that meeting.

I have received several wires and letters from school superintendents in my district saying that they need this legislation and are opposed to the Powell amendment. That will be my position. If the Powell amendment is offered, I shall vote against it as I have heretofore.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Alabama.

Mr. ROBERTS. Mr. Chairman, I rise in support of this legislation. I should like to compliment the distinguished chairman of the committee and the members of the committee for bringing this legislation to the floor.

Mr. UDALL. Mr. Chairman, this marks an interesting departure in the history of this legislation. We have previously come to the floor when we have presented this legislation, it seems to me, on two crutches. One of them was the word "emergency" and another the words "temporary program." I am delighted to report that, in my opinion, we have discarded one of those crutches. I think, perhaps, later on we should discard the other. A portion of this program is now a permanent program without any cutoff date.

I think, as the gentleman from Virginia [Mr. BROYHILL] said so concisely a while ago, that these programs have great merit. To me, also, they are proof positive that you can have a program of Federal aid, if you will indulge me the point, without Federal "controls" that are harmful.

Under these programs during the past 8 years, we have built 35,000 classrooms to house over 1 million children. I think this is a record to be proud of. We have spent over \$769 million under the school construction program, and under Public Law 874 we have appropriated and spent \$608 million.

There was considerable alarm in the Congress when the President presented his budget message in January, and later when testimony was presented by the Department of Health, Education and Welfare concerning the proposed changes in this legislation by the administration. This has been referred to obliquely in our discussion. I want to discuss these proposals briefly so that the Members will understand what the committee did with them. The first proposal was that the category (a) be continued unchanged for a period of 5 years. The committee improved on that recommendation by making aid under category (a) permanent. The second administration recommendation was that category (b) aid be terminated and tapered off 20 percent a year over a period of 5 years. Obviously we did not follow that recommendation. If that proposal had been followed, it would have resulted in a decrease in appropriations for this program in the neighborhood of \$82 million, a very substantial sum.

But although the department took the view that the impacts were decreasing

and stated that the school districts over the country were absorbing these impacts, yet at the same time the assertion was made that the costs of the program were increasing. I think the members of the committee—on both sides, I might say—ultimately rejected this argument on the ground that the Federal defense activities are not being reduced. With our new programs in the field of missiles, for example, it is fairly obvious school districts may suffer increasing dislocations in some areas.

I think we have an excellent piece of legislation. Some of the amendments which will be proposed today will, in my opinion, improve the bill but I think the committee and the Congress can very well take pride in this legislation.

Mr. ROBERTS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS. Mr. Chairman, in the Fourth Congressional District of Alabama, which I am privileged to serve, more than half of the counties qualify as federally impacted areas as defined in Public Laws 815 and 874. For this reason, I am particularly interested in the program administered under the provisions of these laws.

I have seen at close hand what these laws mean and I can truthfully state that without the aid these laws provide it would have been impossible for the public schools in these counties to operate with the burdens which have been placed upon them by the addition of the federally connected students.

Mr. Chairman, I am strongly in favor of H. R. 11378, a bill which would make permanent these programs and extend them until June 30, 1961.

In the Fourth Alabama District is located Anniston, home of Fort McClellan, an important Army installation which is the center of the Chemical Corps Training School and is the permanent home of the Women's Auxiliary Corps. Additionally, many National Guard units train there each year.

Near Anniston is located the Anniston Ordnance Depot, at Bynum, which employs some 4,000 civilians engaged in defense works, and which recently has undergone a great expansion.

At Childersburg, also in my district, the huge Alabama Ordnance Works has undergone a \$40-million rehabilitation program and is in a standby status. In Selma, in the southern part of the district, is located Craig Air Force Base, which is an important jet-training center.

These four Federal installations and the schoolchildren associated with them affect the school systems in the cities of Anniston, Childersburg, Selma, Talladega, Piedmont, Jacksonville, and others; and in the counties of St. Clair, Dallas, Calhoun, Elmore, and Talladega.

To these city and county school systems, Public Law 874 right now means nearly a half million dollars in annual Federal assistance. Over the State of Alabama, this program accounts for

some two and a quarter million dollars annually, with about half of all the school systems in the State being affected.

In reference to Public Law 815, this law a year ago meant more than \$240,000 annually to the Fourth District, and at the present time even more systems have qualified to participate. Since the law's inception in 1950, more than \$1 million has gone to Calhoun County, the largest of the district counties, alone.

I think it is obvious that these schools could not operate as efficiently as they do now, if funds from these two laws were curtailed. To withdraw the aid to these impacted areas—and others like them throughout the country—would place a burden on many communities entirely beyond their means. Tax rates would have to be raised unreasonably to sustain adequate schools and school programs, and the result well could be a lowering of standards of education in these areas. This would be an unthinkable fallacy at a time when education is being stressed in greater terms than ever before.

Mr. Chairman, it has been argued that areas with Federal installations can afford to support the associated children because the mere location of the installation is of meaningful benefit to everyone in the area. While I would not disparage the conception that these installations tend to profit the areas in which they are situated, I would suggest another consideration. These installations unavoidably pose burdens for the government units under whose jurisdictions they may fall, as they do upon the school districts wherein they are situated. Added to the normal functions of the local government units are the additional water, sewerage, police, fire protection, and certain other responsibilities to the installation. We would not, of course, attempt to exact from the installations full payment for these services. But it is fitting and proper that the way of the installation should be paid insofar as education is concerned.

In conclusion, Mr. Chairman, may I firmly urge that this bill be so enacted that these public laws will continue to be maintained as they now are, with no Federal strings attached. I particularly refer to any amendment which would forbid use of these funds in schools where the races are segregated. Such amendments should be promptly rejected because they would mean certain defeat of the entire bill and thousands of school children and educators in all parts of the country would suffer resultingly.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. BOLAND. Mr. Chairman, I rise in support of the bill before us, H. R. 11378, which will extend Public Laws 815 and 874 until June 30, 1961. Under Public Law 815, school districts in Federal impacted areas can apply for Federal

assistance for new school construction while under Public Law 874 the same school districts can apply for Federal assistance to operate the schools. I am pleased to know that the Committee on Education and Labor has recommended in this legislation that the programs be established on a permanent basis in the case of the so-called category A pupils—children of persons who reside and work on Federal property and are educated in facilities operated by the school district.

I know how much the extension of these laws will mean to several communities in my Congressional District. The great Strategic Air Force 8th Air Force headquarters is located at Westover Air Force Base in Chicopee, Mass., while the famous Springfield Armory is located in my home city of Springfield, Mass. We have always looked upon these Federal installations as our good neighbors down through the years. The children of Federal workers attend schools in Chicopee, Springfield, West Springfield, South Hadley, Ludlow, and Granby. Both of these public laws have materially assisted these cities and towns to meet their burgeoning school budgets. When Congressman Bailey's subcommittee was conducting hearings on these laws in January, two distinguished constituents of mine, Chicopee School Superintendent John L. Fitzpatrick speaking for the Massachusetts School Superintendents, and Springfield School Committee member John T. McDonough, representing the Massachusetts Association of School Committees, testified on the importance of extending this Federal assistance to these impacted school districts.

Mr. Chairman, I certainly hope that this body will take prompt action today to extend these laws.

Mr. ENGLE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ENGLE. Mr. Chairman, I compliment the House Committee on Education and Labor for bringing this legislation to the floor, continuing Federal aid to schools in federally impacted areas.

I am especially glad that the committee has seen fit to adopt the amendment which I suggested, deleting the 3 percent absorption on federally impacted schools. There is no reason why schools having an average daily attendance of more than 35,000 should be required to pay part of the operating costs. The adoption of this amendment was especially helpful to the cities of San Diego and Long Island in my State, and results in additional payments to San Francisco and Oakland.

A person cannot move around in California without bumping into an air or naval base, a missile or aircraft plant, a reclamation or flood control project. People have converged on the State of California to help carry out the Federal Government's defense and public works programs. The impact on the local school tax base of trying to take care of the educational needs of this continuing tide of people is simply beyond the



capacity of the local districts. More than 225,000 children in California's federally impacted areas receive Federal help in the operation and maintenance of the schools.

The sound principles in this legislation should be made permanent and the formula for Federal aid to impacted areas under varying conditions should be carefully tailored to reflect the Federal responsibility. I am vigorously supporting this bill today on the floor, as I did before the committee at the hearings.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Chairman, in my judgment, this is one of the very important pieces of legislation that will come before this Congress.

I am proud to say that South Dakota is presently making more effort to support public education than any other State. We rank first in the Nation, spending 4.09 percent of our personal income payments from State and local sources for current expenditures for public education. However, we do have a number of school districts whose pupil load is greatly increased because of Federal installations, and I feel the Federal Government has a definite responsibility to financially assist these districts. A dual burden is placed on these districts through a reduction in revenue available as a result of acquisition of real property by the United States, and the substantial increase in school attendance through the additional families brought into the community as a result of the Federal activity.

Public Laws 815 and 874 were enacted to meet this need, and I believe it is imperative that these laws be extended as provided in H. R. 11378. The aid provided in the past has become an important part of the financial structure of the schools affected. If these laws are not extended in basically their present form, the problem of raising additional revenue in these communities would be impossible.

South Dakota presently has almost every type of Federal activity and Federal property within the State, including VA hospitals, the Black Hills Ordnance Depot, Ellsworth Air Force Base, projects in connection with the construction of the Missouri River dams, Indian reservations, fish hatcheries, national forests and monuments, and large areas of federally owned grazing lands.

In the 1957 fiscal year, 41 South Dakota school districts received assistance for maintenance and operation under Public Law 874, with three applications still pending. The total net entitlement for South Dakota under this program for fiscal 1957 was \$1,025,824.

Under the Federal assistance for construction program, Public Law 815, seven South Dakota school districts were approved during the 2-year period 1956-58. A total of 806 pupils were housed, with \$546,798 allocated for this purpose. There are nine applications pending at the present time.

In summary, until such time as there is some law providing for payment in

lieu of taxes to these local school districts for federally owned property within their boundaries, I firmly believe the Federal Government, as a property owner, has a moral obligation to contribute financial support to provide the educational facilities required. I strongly urge, therefore, that the House pass H. R. 11378 and assure the continuance of Public Laws 815 and 874.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. WILSON].

Mr. WILSON of California. Mr. Chairman, thank you for giving me the opportunity to indicate my interest in this extension of Public Laws 815 and 874. I represent the city of San Diego and most of San Diego County. It is my understanding that our county has been one which records show has had the most federally connected children of any county in the United States. It is the center of much of our defense effort, including the current expanded effort on the Atlas intercontinental ballistic missile. In addition, it is one of the major naval bases of the country, with over a dozen naval installations and commands, including headquarters for elements of the Pacific Fleet.

The defense effort has created a burden on the local economy far beyond our own ability to solve. Construction and production workers, in various defense plants and naval installations, have literally swamped our school system and other normal community services.

The communities in the area have valiantly attempted to provide adequate schools for the exploding population attracted to San Diego County by the defense activity there. Communities have built schools to the limit of their taxing and bonding capabilities, and have still been unable to provide even a minimum of educational plant and services without help from the Federal Government. We have been able to cope with the overcrowded schools only because of the assistance of Public Laws 815 and 874 as they are now written.

Changing the basic formula for determining entitlement to assistance funds would be a devastating blow to the orderly growth of the school system. Without such help, we would be immediately forced into half-time sessions, oversize classes, and other practices harmful to orderly educational growth.

Specifically, the proposed changes which would exempt from entitlement children of parents either working or living on Government-owned property would eliminate practically all entitlements. We have no public housing, and yet many of our Navy and defense-worker families live in so-called bedroom areas, where the tax base is too inadequate to provide sufficient schools. Some of our defense workers are employed in Government-owned facilities which pay no taxes into the local school system.

I hope you on the committee will help to avert the tragedy that would result from adoption of recommended changes in the basic law. As long as our communities are expanded at an unnatural

rate, we must look to the Federal Government for the vital assistance needed.

I urge you to vote for H. R. 11378 without substantial change.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, my district, the First Congressional District of Washington, is one that is vitally concerned with this measure. I will support it as I have supported similar legislation in the past. I appreciate very much the work of the committee in bringing it to the floor today.

Mr. RHODES of Arizona. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I supported this legislation in the past. In the last session of the Congress, the 84th Congress, I supported it not only in the Congress but before the committee as well. In this session, I testified in favor of the bill before the committee. The bill as actually reported out, as I have found in my discussion of it with members of the staff and members of the committee, excluded rather ironically the two school districts, in the area of one of the Members of the House, myself, who has strongly been a supporter of this legislation. I understand so far as the Hillsborough and Pinellas Counties are concerned, one of the amendments to be offered by the gentleman from Montana will take care of not only this situation but also the situation of the legislation previously enacted. I ask if that is the intention and the purpose of the amendment to be introduced by the gentleman from Montana. Will the gentleman from Montana indicate whether his amendment has this purpose and will accomplish that objective?

Mr. METCALF. I will say to the gentleman that I am going to discuss that briefly when I can get a little time. It will take care of your district and other districts that have been cut off as a result of this change in the formula for absorption of schools over 35,000.

Mr. CRAMER. I thank the gentleman.

It is my position in supporting the amendment of the gentleman from Montana [Mr. METCALF] which is the amendment that I assisted in drafting in consultation with the committee, its staff, and the other Members of Congress who were also excluded, and which is an amendment that I had intended to offer but I am happy to join in sponsoring under the proposed motion by the gentleman from Montana, that it is wholly inequitable to extend the act, make it applicable to additional districts in the future while at the same time excluding some five districts that have qualified under existing law.

I think it unfortunate that the effect of the amendment of the bill as reported by the committee to the House under Public Law 874, section 3 (c) 3 which changed the test date for 35,000 population for large communities from 1939 to

1957 and thus required 6 percent impact in all such communities in order to qualify that have acquired 35,000 ADA since 1939 is to eliminate some five school districts that have qualified before under existing law but who have only between 3 percent and 6 percent impact. The amendment which I had intended to offer but which is being offered by the gentleman from Montana would provide simply that those districts that have previously qualified under the existing law by virtue of having less than 35,000 population as of 1939 shall continue to qualify notwithstanding any contrary provision of H. R. 11378.

In my District 2 of the 5 counties that would otherwise be excluded under the pending bill but which will be included under the amendment are Pinellas and Hillsboro Counties. Pinellas County was certified in 1958 under the present Public Law 874 for the first time, with an impact of 3.7 percent and is entitled to \$138,395. Hillsboro County has been certified as qualified since 1952 and in 1958 is entitled to \$183,785. I can see no justification for discriminating against any district that is presently covered while including new districts under the extension of the act.

I am sure that this Committee will recognize the inequity of excluding only some 5 school districts out of some 3,300 previously included and still included under the terms of this bill. I wish to congratulate the gentleman from Montana for agreeing that our case is an equitable one, and I trust the Committee will agree.

This is a substantial impact on the two communities involved and this impact is increasing due to the location of defense establishments in the areas as well as defense industries and increases in the size of other Federal facilities. The original concept of the act was that the Federal Government should reimburse local communities for the cost of educating students resulting from Federal activities as a payment in lieu of taxes for those facilities by virtue of being Federal installations and which were otherwise exempt from local school taxes. Payments in lieu of taxes are made in many other instances by the Federal Government, as in the case of Public Housing and certain AEC activities, and is equally justified in the case of federally impacted schools. The money is made available to the local school districts without any Federal control strings attached and without any Federal criteria involving fundamental school policy and under these circumstances I have supported this payment in lieu of taxes principal resulting from Federal impact.

I ask the Committee to support this amendment when offered.

Mr. BARDEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, I rise in wholehearted support of this legislation without any amendments which might jeopardize its chances of passage.

I wish to emphasize that the basic philosophy underlying these laws is that

the Federal Government, as a property owner, has an equitable obligation to participate in the financial support of local governmental services. Under the intergovernmental tax-immunities doctrine, all Federal property is immune to ad valorem taxation by States and local governments. This Federal immunity has been a source of widespread complaints by local governments which generally rely on the property tax as their chief source of revenue. It seems quite clear to me that the cost of national functions and programs should not impose an undue burden on local taxpayers through Federal tax exemptions. The property tax has traditionally been the chief source of revenue for most local governments in the United States. In recent years we have witnessed a concerted effort in State legislatures and local governing bodies to free local governments of exclusive dependence upon this single source of revenue. Substantial increases in State aid to local governments have also contributed to relieve the property tax from carrying the entire burden of supporting local governments. Nevertheless, it remains the mainstay of most local revenue systems.

I think it is important at this point to quote from the original enacting legislation:

In recognition of the responsibility of the United States for the impact which certain Federal activities have on the local educational agencies in the areas where such activities are carried on, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following sections of this act) for those local educational agencies upon which the United States has placed financial burdens by reason of the fact that—

1. The revenues available to such agencies from local sources have been reduced as a result of the acquisition of real property by the United States; or
2. Such agencies provide education for children residing on Federal properties; or
3. Such agencies provide education for children whose parents are employed on Federal properties; or
4. There has been a sudden and substantial increase in school attendance as a result of Federal activities.

I think that I can best summarize this by stating that the United States has, in the prosecution of essential defense and domestic activities, become an industrialist, a landlord, or a businessman in many communities of the Nation, and this is particularly true in the Fifth District of Maryland.

In conclusion, Mr. Chairman, let me express my thanks and appreciation and the appreciation of the people of the Fifth District of Maryland for the conscientious attention which the subcommittee and the full committee has given to this most pressing problem. They have labored long and well, and by doing so have assured the future of our country through adequate education for our children. I urge that this bill, H. R. 11378, be passed without any amendments which might have the possible effect of bringing about its defeat.

Mr. RHODES of Arizona. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I strongly favor the enactment of this proposed legislation which means so much to the school children of the United States. I am opposed to any amendments which would defeat the worthwhile purposes of this legislation.

Mr. RHODES of Arizona. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is another revision and extension of two public laws which have proved not only to be very beneficial but also very popular.

The program under Public Laws 815 and 874 has met a need which our schools have experienced because of Federal action in the school districts. As has been aptly stated by previous speakers, those laws attempt to compensate the school districts for the fact that there is Federal activity in the districts; to compensate those schools for the fact that property is taken off of the tax rolls because of Federal activity. This was the original purpose of those laws. I hope it will always be the purpose of those laws.

However, I take the floor at this time, Mr. Chairman, to voice what I think should be a warning to the Members of the House who are interested in this legislation. I have noticed a tendency in the last few years to bring more and more programs under the tent which is Public Laws 815 and 874. Many of those programs are meritorious. Many of them should be adopted. However, I can only warn that any tent, when stretched to the breaking point, is bound to rip. I hope that this will not be the fate of Public Laws 815 and 874.

Mr. Chairman, there will be an amendment offered, which I intend to support, to strike out one section of this bill which deals with children of workers who are employed in factories making airplane engines or remodeling airplanes for the Air Force, which factory is located on municipal property. The particular section was not well considered in subcommittee or in the committee. The full implication of it is set out in the minority views which are attached to the committee report.

We do not know how far this section might go. We feel that if it were to be made just, it would have to apply to factories which are under contract to the Navy and to the Army as well as to the Air Force; and we do not know how much such an expanded program might cost.

Furthermore, we feel the situation is under the control of the State in which the property is located. That State could certainly make some provision if a burden exists, for a payment in lieu of taxes to be made to school districts even though there be a Federal activity on a given property as long as the title to the property itself is not in the Federal Government. It is certainly in the purview and the concept of the powers of the States that the authorities of a State should make sure that no school district, no city, no county, is injured by the tax-exempt status of such property.

I hope that the amendment, when it is presented, will be adopted. After that



I hope we will proceed to the enactment of this legislation.

I wish to add my words of congratulations for the work of the subcommittee and the work of the full committee on this bill, particularly I want to commend the gentleman from West Virginia [Mr. BAILEY], who has been so active through so many years in this and many other programs for the benefit of the schools of the country.

Mr. BARDEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Mr. Speaker, I rise in support of H. R. 11378 which would extend and amend the programs of financial assistance in the construction and operation of schools in areas affected by Federal activities.

The President's budget message of February 13, 1958, recommending drastic cutbacks in this program came as a shock to many of us here. While certain organizations had been advocating the curtailment or the elimination of this program, few of us would have believed that the President would have followed such siren voices at a time when all evidence pointed to the fact that more—not less—assistance was needed by the American educational system.

There seems little room to quibble as to the Federal responsibility in this particular area. In this program, Federal aid follows Federal impact in a direct cause and effect relationship. Simple justice and equity requires that the Federal Government assume the burden of assisting those localities where the Federal Government's own actions have created the problem.

To my own State of Oregon, the existing programs have been of great assistance. From 1953, through 1957, there have been 251 eligible applicants under Public Law 874 receiving a total of \$2,340,252.28. During the same period under Public Law 815, there were a total of 24 applicants receiving a total of \$1,288,527.

These are not insignificant sums in the total outlay of funds for education in Oregon. For the Federal Government to cause such an additional outlay of State and local funds without reimbursement would be grossly unfair.

I am pleased, therefore, that the House Committee on Education and Labor, of which I am a member, has reported this bill, H. R. 11378, to extend and amend the Federally impacted areas laws. I hope that the House will speedily pass this bill.

Because American education stands today at the crossroads, America itself stands at the crossroads. The very security of our Nation in the future depends on how fully each level of government—Federal, State and local—carries out the definite responsibilities it bears to assist in the highest intellectual attainment of our youth.

If we are weighed and found wanting in fulfilling these responsibilities, then America is in grave peril.

The bill before us is but one small—although important—area where such responsibilities must be carried out. Its enactment will authorize the continu-

ation of programs most vital to American education.

Mr. BARDEN. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, there has been some discussion about some of the Southern States losing a few dollars per capita as a result of an amendment put in this bill by the subcommittee. This, as has been said, is a complex piece of legislation. Various amendments have been made to Public Laws 874 and 815. Since they were enacted 6 years ago they have been amended 7 or 8 times.

Public Law 874 contained a proviso that the Federal Government would come in and take the place of the local taxing authority so that the Federal Government paid on what would be the local tax valuation. Then we realized what the effect was on States that had a State school equalization fund. In many States, for example, the State government paid as much as 80 percent of the cost of education, only 20 percent of the cost coming from local districts. In other States the situation was reversed, 80 percent being paid by the local districts and only 20 percent from the general funds of the State. So, to correct these inequalities we put in a proviso that the local district could take half of the State contribution plus the local Federal Government contribution to the total cost of education.

Then we found that some of the States did not receive as much as others; for example, the State of Alabama got \$67 under the 1955-56 law; the State of South Carolina only \$79.72 per pupil as against \$167 per pupil for the State of California, for instance. Therefore we put in another provision to the effect that if the State and local contribution was less than the national average local contribution rate for applicant districts, then we would pay the half of that national average. That is the so-called floor that we put under the bill.

The State of Alabama then came up from \$67 to \$136 per pupil. The State of Arkansas came up from \$97 to \$145.67.

But in saying that the national average local contribution rate of applicant districts should be the yardstick we put in a built-in spiral. I helped the staff draw that amendment. I submitted it to the subcommittee and to the full committee and supported it when it was being adopted, but I did not realize that we were putting in this escalator effect. Let me read to you what Mr. William H. Moore, supervisor of the Little Rock, Ark., Department of Education, said. He was one of the strongest proponents of this floor. He said:

I did not realize, and I am sure those school people who worked with me did not realize, that there was a spiral effect in the floor as recommended which would result in a greater percentage increase than the percentage increase cost of education as a whole in the country.

We now feel, and we have never wanted to be unfair with you men, and I think you understand that, that a more definite basis for determining a reasonable floor, one which

will still advance but only advance at the same rate at which the cost of education in local communities advances, would be to use the national average contribution rate and not the national average contribution rate paid under these bills.

In other words, the national average of all 50,000 school districts, instead of the national average of the 3,300 districts that are participating in this act. That is what we have done. It will mean a slightly less payment per pupil for the first year—\$137.50 would be half of the national average as against the present formula of \$145.20. But I do not believe it is the desire of the committee to reduce the amount to which any participating school district has previously been entitled, and for that reason I am going to submit an amendment that will provide that no district will get less in the next fiscal year than it received in this fiscal year. Therefore, the cost of education will rise as the cost of education rises in all the districts of the United States, in all 50,000 of them, instead of having this built-in escalator effect of having the Federal payment increase the cost in the participating districts. So much for that.

We have changed another formula. That is the formula for the larger school districts. When this bill was originally passed, we said that the school districts that had a 35,000 pupil average daily attendance in 1939 would have to have a 6-percent impact in order to qualify and then would have to absorb 3 percent of that impact.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. BARDEN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. ROGERS of Colorado. I want to congratulate the committee for bringing forth the change in Public Law 874 that has been referred to by the gentleman now addressing the House. It so happens that in my particular situation we have been compelled to absorb under Public Law 874 a greater percentage of the Federal impacted pupils in that area as the result of that law. However, as I understand it, it was intended to eliminate the larger districts in the first instance anyhow. Nevertheless, under the law at that time we did qualify. I want to congratulate the committee for taking away the absorption features of Public Law 874 and I will support the bill in its entirety.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to join my colleague from Colorado in congratulating the committee. I certainly intend to support the bill and the amendment the gentleman says he will offer to see that no district is cut back through the operation of this new bill. May I ask the gentleman, What is the additional provision with regard to Indian lands that has been added in this legislation?

Mr. METCALF. That will be very plain to the gentleman from Oklahoma



because we have worked out the system that has worked so well in Oklahoma. The law as it presently exists says that the governor of a State can choose whether to come under the provisions of the Johnson-O'Malley Act or Public Law 874 for aid to education in that State. There are some districts that would like to come under 874, others under the Johnson-O'Malley Act. It is a very difficult decision for a governor to make. So, we have said that every Indian child is treated as an impacted class A child and will receive education under Public Law 874 just the same as any other impacted child, and then the State superintendent of education or the school officer may contract under the Johnson-O'Malley Act for additional benefits.

Mr. EDMONDSON. I thank the gentleman. I think that is a fine addition to the act.

Mr. BARDEN. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

*Be it enacted, etc.,*

**TITLE I—AMENDMENT OF PUBLIC LAW 815,  
81ST CONGRESS**

SEC. 101. The act of September 23, 1950 (Public Law 815, 81st Cong.), as amended, is amended to read as follows:

**"Purpose and appropriation**

"SECTION 1. The purpose of this act is to provide assistance for the construction of urgently needed minimum school facilities in school districts which have had substantial increases in school membership as a result of new or increased Federal activities. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1959, and each fiscal year thereafter, such sums as the Congress may determine to be necessary for such purpose. Sums so appropriated, other than sums appropriated for administration, shall remain available until expended.

**"Portion of appropriations available for payments**

"SEC. 2. For each fiscal year the Commissioner shall determine the portion of the funds appropriated pursuant to section 1 which shall be available for carrying out the provisions of sections 9 and 10. The remainder of such funds shall be available for paying to local educational agencies the Federal share of the cost of projects for the construction of school facilities for which applications have been approved under section 6.

**"Establishment of priorities**

"SEC. 3. The Commissioner shall from time to time set dates by which applications for payments under this act with respect to construction projects must be filed, except that the last such date with respect to applications for payments on account of children referred to in paragraphs (2) or (3) of section 5 (a) shall be not later than June 30, 1961. The Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, to be followed in approving applications in the event the funds appropriated under this act and remaining available on any such date for payment to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds under this act have not already been obligated). Only applications meeting the conditions for approval under this act (other than section 6 (b) (2) (C)) shall be considered applications for purposes of the preceding sentence.

**"Federal share for any project**

"SEC. 4. Subject to section 5 (which imposes limitations on the total of the payments which may be made to any local educational agency), the Federal share of the cost of a project under this act shall be equal to such cost, but in no case to exceed the cost, in the school district of the applicant, of constructing minimum school facilities, and in no case to exceed the cost in such district of constructing minimum school facilities for the estimated number of children who will be in the membership of the schools of such agency at the close of the increase period and who will otherwise be without such facilities at such time. For the purposes of the preceding sentence, the number of such children who will otherwise be without such facilities at such time shall be determined by reference to those facilities which (1) are built or under contract as of the date on which the Commissioner set, under section 3, the earliest date on or before which the application for such project was filed, or (2) as of the date the application for such project is approved, are included in a project the application for which has been approved under this act.

**"Limitation on total payments to any local educational agency**

"SEC. 5. (a) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this act may not exceed the sum of the following:

"(1) the estimated increase, since the base year, in the number of children residing on Federal property with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 95 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; and

"(2) the estimated increase, since the base year, in the number of children residing on Federal property, or residing with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 50 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated. A child of a parent who commenced residing in or near the school district of such an agency while assigned to employment, as a member of the Armed Forces on active duty, on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district) and who was subsequently assigned elsewhere on active duty as a member of the Armed Forces, shall continue to be considered as residing with a parent employed on such Federal property, for purposes of this paragraph and paragraphs (1) of this subsection, for so long as the parent is so assigned; and

"(3) the estimated increase, since the base year, in the number of children whose membership results directly from activities of the United States (carried on either directly or through a contractor), multiplied by 45 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated. For purposes of this paragraph, the Commissioner shall not consider as activities of the United States those activities which are carried on in connection with real property excluded from the definition of Federal property by the last sentence of paragraph (1) of section 15, but shall (if the local educational agency so elects pursuant to subsection (b)) con-

sider as children whose membership results directly from activities of the United States children residing on Federal property or residing with a parent employed on Federal property.

In computing for any local educational agency the number of children in an increase under paragraph (1), (2), or (3), the estimated number of children described in such paragraph who will be in the membership of the schools of such agency at the close of the increase period shall be compared with the estimated number of such children in the average daily membership of the schools of such agency during the base year.

"(b) If two or more of the paragraphs of subsection (a) apply to a child, the local educational agency shall elect which of such paragraphs shall apply to such child, except that, notwithstanding the election of a local educational agency to have paragraph (2) apply to a child instead of paragraph (1), the determination of the maximum amount for such agency under subsection (a) shall be made without regard to such election.

"(c) A local educational agency shall not be eligible to have any amount included in its maximum by reason of paragraph (1), (2), or (3) of subsection (a) unless the increase in children referred to in such paragraph, prior to the application of the limitation in subsection (d), is at least 20 and is equal to at least 5 percent in the case of paragraph (1) or (2), and 10 percent in the case of paragraph (3), of the number of all children who were in the average daily membership of the schools of such agency during the base year, and unless, in the case of paragraph (3), the construction of additional minimum school facilities for the number of children in such increase will, in the judgment of the Commissioner, impose an undue financial burden on the taxing and borrowing authority of such agency: *Provided*, That children residing on any housing property which, prior to sale or transfer by the United States, was considered to be Federal property for the purposes of this act, shall not be considered as having been federally connected in determining the eligibility of the local educational agency under this subsection.

"(d) If (1) the estimated number of nonfederally connected children who will be in the membership of the schools of a local educational agency at the close of the increase period is less than (2) 107 percent of the number of such children who were in the average daily membership of such agency during the base year, the total number of children counted for purposes of subsection (a) with respect to such agency shall be reduced by the difference between (1) and (2) hereof. For purposes of this subsection, all children in the membership of a local educational agency shall be counted as nonfederally connected children except children whose membership in the base year and increase period was compared in computing an increase which meets the requirements of subsection (c).

"(e) Notwithstanding the provisions of subsections (c) and (d) of this section, whenever and to the extent that, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of this act, the Commissioner may do any one or more of the following: (1) he may waive or reduce any percentage requirement or requirements in subsection (c); (2) he may waive the requirement contained in the first sentence of subsection (d) or reduce the percentage specified in clause (2) of such sentence.

**"(f) If—**

"(1) the first year of the increase period for an application made by a local educational agency constitutes the second year of



the increase period for a previous application made by such agency under this act, or under this act as in effect January 1, 1958, and

"(2) any payment has been or may be made to such agency on the basis of such previous application,

then, in determining under this section the total of the payments which may be made to such agency on the basis of the later application, the total number of children counted for purposes of paragraph (1), (2), or (3), as the case may be, of subsection (a) may not exceed—

"(3) the number of children whose membership at the close of the increase period for the later application is compared with membership in the base year for purposes of such paragraph, minus

"(4) the number of such children whose membership at the close of the increase period for the previous application was compared with membership in the base year for purposes of such paragraph.

#### *"Applications*

"SEC. 6. (a) No payment may be made to any local educational agency under this act except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him.

"(b) (1) Each application by a local educational agency shall set forth the project for the construction of school facilities for such agency with respect to which it is filed, and shall contain or be supported by—

"(A) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

"(B) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain such school facilities on such site for a period of not less than 20 years after the completion of the construction;

"(C) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when needed;

"(D) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

"(E) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law 403 of the 74th Congress, approved August 30, 1935, as amended;

"(F) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this act on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district; and

"(G) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

"(2) The Commissioner shall approve any application if he finds (A) that the requirements of paragraph (1) have been met and that approval of the project would not result in payments in excess of those permitted by sections 4 and 5, (B) after consultation with the State and local educational agencies, that the project is not inconsistent with overall State plans for the construc-

tion of school facilities, and (C) that there are sufficient Federal funds available to pay the Federal share of the cost of such project and of all other projects for which Federal funds have not already been obligated and applications for which, under section 3, have a higher priority: *Provided*, That the Commissioner may approve any application for payments under this act at any time after it is filed and before any priority is established with respect thereto under section 3 if he determines that—

"(i) on the basis of information in his possession, it is likely that the urgency of the need of the local educational agency is such that it would have a priority under section 3 which would qualify it for payments under this act when such priorities are established, and

"(ii) the number of children in the increase under section 5 (a) is in large measure attributable to children who reside or will reside in housing newly constructed on Federal property.

"(c) No application under this act shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

#### *"Payments*

"SEC. 7. (a) Upon approving the application of any local educational agency under section 6, the Commissioner of Education shall pay to such agency an amount equal to 10 percent of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, pay to such agency the remainder of the Federal share of the cost of the project.

"(b) Any funds paid to a local educational agency under this act and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

#### *"Additional payments*

"SEC. 8. Not to exceed 10 percent of the sums appropriated pursuant to this act for any fiscal year (exclusive of any sums appropriated for administration) may be used by the Commissioner, under regulations prescribed by him, to make grants to local educational agencies where (1) the application of such agencies would be approved under this act but for the agencies' inability, unless aided by such grants, to finance the non-Federal share of the cost of the projects set forth in their applications, or (2) although the applications of such agencies have been approved, the projects covered by such applications could not, without such grants, be completed, because of flood, fire, or similar emergency affecting either the work on the projects or the agencies' ability to finance the non-Federal share of the cost of the projects. Such grants shall be in addition to the payments otherwise provided under this act, shall be made to those local educational agencies whose need for additional aid is the most urgent and acute, and insofar as practicable shall be made in the same manner and upon the same terms and conditions as such other payments.

*"Where effect of Federal activities will be temporary*

"SEC. 9. Notwithstanding the preceding provisions of this act, whenever the Commissioner determines that the membership of some or all of the children, who may be included in computing under section 5 the maximum on the total of the payments for any local educational agency, will be of temporary duration only, such membership shall not be included in computing such maximum. Instead, the Commissioner may

make available to such agency such temporary school facilities as may be necessary to take care of such membership; or he may, where the local educational agency gives assurance that at least minimum school facilities will be provided for such children, pay (on such terms and conditions as he deems appropriate to carry out the purposes of this act) to such agency for use in constructing school facilities an amount equal to the amount which he estimates would be necessary to make available such temporary facilities. In no case, however, may the amount so paid exceed the cost, in the school district of such agency, of constructing minimum school facilities for such children. The Commissioner may transfer to such agency or its successor all the right, title, and interest of the United States in and to any temporary facilities made available to such agency under this section (or section 309 of this act as in effect January 1, 1958); any such transfer shall be without charge, but may be made on such other terms and conditions, and at such time as the Commissioner deems appropriate to carry out the purposes of this act.

*"Children for whom local agencies are unable to provide education*

"SEC. 10. In the case of children who it is estimated by the Commissioner in any fiscal year will reside on Federal property at the end of the next fiscal year—

"(1) if no tax revenues of the State or any political subdivision thereof may be expended for the free public education of such children; or

"(2) if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children,

the Commissioner shall make arrangements for constructing or otherwise providing the minimum school facilities necessary for the education of such children. To the maximum extent practicable school facilities provided under this section shall be comparable to minimum school facilities provided for children in comparable communities in the State. This section shall not apply (A) to children who reside on Federal property under the control of the Atomic Energy Commission, and (B) to Indian children attending federally operated Indian schools. Whenever it is necessary for the Commissioner to provide school facilities for children residing on Federal property under this section, the membership of such children may not be included in computing under section 5 the maximum on the total of the payments for any local educational agency.

#### *"Withholding of payments*

"SEC. 11. (a) Whenever the Commissioner of Education, after reasonable notice and opportunity for hearing to a local educational agency, finds (1) that there is a substantial failure to comply with the drawings and specifications for the project, (2) that any funds paid to a local educational agency under this act have been diverted from the purposes for which paid, or (3) that any assurance given in an application is not being or cannot be carried out, the Commissioner may forthwith notify such agency that no further payment will be made under this act with respect to such agency until there is no longer any failure to comply or the diversion or default has been corrected or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

"(b) The final refusal of the Commissioner to approve part or all of any application under this act, and the Commissioner's final action under subsection (a) of this section, shall be subject to judicial review on

the record, in the United States court of appeals for the circuit in which the local educational agency is located, in accordance with the provisions of the Administrative Procedure Act.

#### *"Administration"*

"SEC. 12. (a) In the administration of this act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.

"(b) The Commissioner of Education shall administer this act, and he may make such regulations and perform such other functions as he finds necessary to carry out the provisions of this act.

"(c) The Commissioner shall include in his annual report to the Congress a full report of the administration of his functions under this act, including a detailed statement of receipts and disbursements.

"(d) With respect to compliance with and enforcement of the prevailing wage provisions of section 6 (b) (1) (E), the Secretary of Labor shall prescribe appropriate standards, regulations, and procedures, which shall be observed by the agencies administering such provisions, and shall cause to be made by the Department of Labor such investigations as he deems desirable.

#### *"Use of other Federal agencies; transfer and availability of appropriations"*

"SEC. 13. (a) The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under this act, except the making of regulations. In carrying out his functions under this act, the Commissioner of Education may also utilize the facilities and services of any other Federal department or agency and may delegate the performance of any of his functions, except the making of regulations, to any officer or employee of any other Federal department or agency. The Commissioner of Education shall exercise the authority contained in the preceding sentence whenever such exercise will avoid the creation within the Office of Education of a staff and facilities which duplicate existing available staffs and facilities. Any such utilization or delegation shall be pursuant to proper agreement with the Federal department or agency concerned; and payment to cover the cost thereof shall be made either in advance or by way of reimbursement, as may be provided in such agreement. Any delegation of functions or authority authorized under this section will not relieve the Commissioner of the responsibility placed on him by this act.

"(b) All Federal departments or agencies administering Federal property on which children reside, and all such departments or agencies principally responsible for Federal activities which may give rise to a need for the construction of school facilities, shall to the maximum extent practicable, comply with requests of the Commissioner for information he may require in carrying out the purposes of this act.

"(c) No appropriation to any department or agency of the United States, other than an appropriation to carry out this act, shall be available for the same purpose as this act; except that nothing in this subsection shall affect the availability of appropriations authorized, prior to September 23, 1950, for the construction of school facilities to be attended by Indian children or appropriations (1) for the construction of school facilities on Federal property under the control of the Atomic Energy Commission, (2) for the construction of school facilities which are to be federally operated for Indian children, or (3) for the construction of school facilities under the Alaska Public Works Act, approved August 24, 1949.

#### *"School construction assistance in other federally affected areas"*

"SEC. 14. (a) If the Commissioner determines with respect to any local educational agency that—

"(1) such agency is providing or, upon completion of the school facilities for which provision is made herein, will provide free public education for children who reside on Federal property, and whose membership in the schools of such agency has not formed and will not form the basis for payments under other provisions of this act, and that the total number of such children represents a substantial percentage of the total number of children for whom such agency provides free public education or that the total number of such children who reside on Indian lands located outside the school district of such agency equals or exceeds 100;

"(2) the immunity of such Federal property to taxation by such agency has created a substantial and continuing impairment of its ability to finance needed school facilities;

"(3) such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance available for the purpose; and

"(4) such agency does not have sufficient funds available to it from other Federal, State, and local sources to provide the minimum school facilities required for free public education in its school district,

he may provide the additional assistance necessary to enable such agency to provide such facilities, upon such terms and in such amounts (subject to the provisions of this section) as the Commissioner may consider to be in the public interest; but such additional assistance may not exceed the portion of the cost of such facilities which the Commissioner estimates is attributable to children who reside on Federal property, and which has not been, and is not to be, recovered by the local educational agency from other sources, including payments by the United States under any other provisions of this act or any other law. Notwithstanding the provisions of this subsection, the Commissioner may waive the percentage requirement in paragraph (1) in the case of any application for additional assistance on account of children who reside on Indian lands whenever, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of this section. Assistance may be furnished under this subsection without regard to paragraph (2) (but subject to the other provisions of this subsection and subsection (c)) to any local educational agency which provides free public education for children who reside on Indian lands located outside its school district. For purposes of this subsection 'Indian lands' means Indian reservations or other real property referred to in the third sentence of section 15 (1).

"(b) There are hereby authorized to be appropriated for each fiscal year ending prior to July 1, 1961, such sums, not to exceed \$40 million in the aggregate, as may be necessary to carry out the provisions of this section. There are also authorized to be appropriated such sums as may be necessary for administration of such provisions. Amounts so appropriated, other than amounts appropriated for administration, shall remain available until expended, except that after June 30, 1961, no agreement may be made to extend assistance under this section.

"(c) No payment may be made to any local educational agency under subsection (a) except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him, and which meets the

requirements of section 6 (b) (1). In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the local educational agencies which have submitted approvable applications and the nature and extent of the Federal responsibility. No payment may be made under subsection (a) unless the Commissioner finds, after consultation with the State and local educational agencies, that the project or projects with respect to which it is made are not inconsistent with overall State plans for the construction of school facilities. All determinations made by the Commissioner under this section shall be made only after consultation with the appropriate State educational agency and the local educational agency.

"(d) Amounts paid by the Commissioner to local educational agencies under subsection (a) may be paid in advance of, or by way of reimbursement for, work performed or purchases made pursuant to the agreement with the Commissioner under this section, and may be paid in such installments as the Commissioner may determine. Any funds paid to a local educational agency and not expended or otherwise used for the purposes for which paid shall be repaid to the Treasury of the United States.

"(e) None of the provisions of sections 1 to 10, both inclusive, other than section 6 (b) (1), shall apply with respect to determinations made under this section.

#### *"Definitions"*

"SEC. 15. For the purposes of this act—

"(1) The term 'Federal property' means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia. Such term includes real property which is owned by the United States and leased therefrom and the improvements thereon, even though the lessee's interest, or any improvement on such property, is subject to taxation by a State or a political subdivision of a State or by the District of Columbia. Except for the purposes of section 10, such term also includes (A) real property held in trust by the United States for individual Indians or Indian tribes, and real property held by individual Indians or Indian tribes which is subject to restrictions on alienation imposed by the United States, and (B) any school which is providing flight training to members of the Air Force under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or a political subdivision of a State. Notwithstanding the foregoing provisions of this paragraph, such term does not include (A) any real property used by the United States primarily for the provision of services or benefits to the local area in which such property is situated, (B) any real property used for a labor supply center, labor home, or labor camp for migratory farm workers, (C) any real property under the jurisdiction of the Post Office Department and used primarily for the provision of postal services, or (D) any low-rent housing project held under title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the United States Housing Act of 1937, the act of June 28, 1940 (Public Law 671, Seventy-sixth Congress), or any law amendatory of or supplementary to any of such acts.

"(2) The term 'child' means any child who is within the age limits for which the applicable State provides free public education.

"(3) The term 'parent' includes a legal guardian or other person standing in loco parentis.

"(4) The term 'free public education' means education which is provided at public expense, under public supervision and di-



rection, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

"(5) The membership of schools shall be determined in accordance with State law or, in the absence of State law governing such a determination, in accordance with regulations of the Commissioner; except that, notwithstanding any other provision of this act, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this act the membership of such child, shall be held and considered—

"(A) if the two local educational agencies concerned so agree, and if such agreement is approved by the Commissioner, as membership of a school of the local educational agency receiving such tuition payment;

"(B) in the absence of any such approved agreement, as membership of a school of the local educational agency so making or contracting to make such tuition payment.

In any determination of membership of schools, children who are not provided free public education (as defined in paragraph (4)) shall not be counted.

"(6) The average per pupil cost of constructing minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner of Education on the basis of the contract cost per square foot under contracts for the construction of school facilities (exclusive of costs of site improvements, equipment, and architectural, engineering, and legal fees) entered into in the State for the base year designated in the application, increased by a percentage estimated by the Commissioner to represent additional costs for site improvements, equipment, and architectural, engineering, and legal fees, and multiplied by a factor estimated by the Commissioner to represent the area needed per pupil in minimum school facilities. If the Commissioner finds that the information available for the State concerned for such preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain.

"(7) Estimates of membership, and all other determinations with respect to eligibility and maximum amount of payment, shall be made as of the time of the approval of the application for which made, and shall be made on the basis of the best information available at the time of such approval.

"(8) The terms 'construct,' 'constructing,' and 'construction' include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

"(9) The term 'school facilities' includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public. Except as used in sections 9 and 10, such term does not include interests in land and off-site improvements.

"(10) Whether or not school facilities are minimum school facilities shall be determined by the Commissioner, after consultation with the State and local educational agencies, in accordance with regulations prescribed by him.

"(11) The term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education or which has responsibility for the provision of such facilities.

"(12) The term 'State educational agency' means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

"(13) The term 'State' means a State, Alaska, Hawaii, Puerto Rico, Guam, the Virgin Islands, or Wake Island.

"(14) The terms 'Commissioner of Education' and 'Commissioner' mean the United States Commissioner of Education.

"(15) The term 'base year' means the regular school year preceding the fiscal year in which an application was filed under this act or the regular school year preceding such school year, as may be designated in the application, except that in the case of an application based on children referred to in paragraph (2) or (3) of section 5 (a), the base year shall in no event be later than the regular school year 1958-59; and

"(16) The term 'increase period' means the period of two consecutive regular school years immediately following such base year."

SEC. 102. The amendment made by section 101 shall be effective for the period beginning July 1, 1958, except that such amendment shall not apply in the determination of payments on applications based on the increase period ending with the regular school year 1958-59, or any prior regular school year.

#### TITLE II—AMENDMENTS TO PUBLIC LAW 874, EIGHTY-FIRST CONGRESS

SEC. 201. (a) Section 2 (a) of the act of September 30, 1950 (Public Law 874, 81st Cong.), as amended, is amended by striking out "the fiscal year beginning July 1, 1950, or for any of the 7 succeeding fiscal years" and inserting in lieu thereof the following: "any fiscal year ending prior to July 1, 1961."

(b) Paragraph (1) of section 2 (b) of such act is amended by inserting before the period at the end thereof the following: "but shall not include payments pursuant to contract or other arrangement under section 1 of the act of April 16, 1934, commonly referred to as the Johnson-O'Malley Act (25 U. S. C., sec. 452)."

SEC. 202. (a) Section 3 (a) of such act is amended by striking out "ending prior to July 1, 1958."

(b) Section 3 (b) of such act is amended—

(1) by striking out "For such purpose" and inserting in lieu thereof the following: "For the purpose of computing the amount to which a local educational agency is entitled under this section for any fiscal year ending prior to July 1, 1961";

(2) by inserting after "the number of children" the following: "(other than children to whom subsection (a) applies); and

(3) by striking out the last sentence thereof.

(c) Section 3 (c) of such act is amended—

(1) by striking out "ending prior to July 1, 1958," where it appears in paragraph (1);

(2) by adding after the end of clause (B) of paragraph (2) thereof the following: "For the purposes of this paragraph and paragraph (3), a local educational agency may count as children determined under subsection (b) any number of children determined under subsection (a)";

(3) by striking out "June 30, 1939" where it appears in paragraph (3) and inserting in lieu thereof "June 30, 1957";

(4) by striking out all of paragraph (3) which appears after "exceeded 35,000" and inserting in lieu thereof the following: "such agency's percentage requirement for eligibility (as set forth in paragraph (2) of this subsection) shall be 6 percent instead of 3 percent (and those provisions of such paragraph (2) which relate to the lowering of the percentage requirement shall not apply)";

(5) by striking out "ending prior to July 1, 1958" where it appears in clause (A) of paragraph (4); and

(6) by striking out "effective for the fiscal year beginning July 1, 1955, and the 2 succeeding fiscal years" where it appears in clause (D) of paragraph (4).

(d) Section 3 (d) of such act is amended—

(1) by striking out "most nearly" in clause (1) and inserting in lieu thereof "generally," and

(2) by striking out the fourth and fifth sentences and inserting in lieu thereof the following: "In no event shall the local contribution rate for any local educational agency in any State in the continental United States for any fiscal year be less than (i) 50 percent of the average per pupil expenditure in such State or (ii) 50 percent of the average per pupil expenditure in the continental United States, but not to exceed the average per pupil expenditure in the State. For the purposes of the preceding sentence the 'average per pupil expenditure' in a State, or in the continental United States, shall be the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, of all local educational agencies in the State, or in the continental United States, as the case may be (without regard to the sources of funds from which such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding fiscal year."

SEC. 203. Section 4 (a) of such act is amended by striking out "1958" both times it appears therein and inserting in lieu thereof "1961."

SEC. 204. Subsection (d) of section 8 of such act is amended—

(1) by striking out "during the period beginning July 1, 1953, and ending June 30, 1958"; and

(2) by inserting before the period at the end thereof the following: "or the availability of appropriations under the act of April 16, 1934, commonly referred to as the Johnson-O'Malley Act (25 U. S. C., sec. 452)."

SEC. 205. (a) The third sentence of paragraph (1) of section 9 of such act is amended—

(1) by inserting after "(A)" the following: "except for purposes of section 6";

(2) by striking out "and (C)" and inserting in lieu thereof the following: "(C) any facility engaged in the modification of aircraft or aircraft engines under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or by a political subdivision of a State, and (D)."

(b) The last sentence of paragraph (1) of section 9 of such act is amended—

(1) by inserting "or benefits" after "provision of services"; and

(2) by striking out "or (C)" and inserting in lieu thereof the following: "(C) any real property under the jurisdiction of the Post Office Department and used primarily for the provision of postal services, or (D)".

(c) Paragraph (2) of section 9 of such act is amended by striking out the last sentence thereof.

SEC. 206. Section 10 of such act is repealed.

Sec. 207. The amendments made by this title shall be effective for the period beginning July 1, 1958.

Mr. WAINWRIGHT (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WAINWRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAINWRIGHT: On page 9, between lines 19 and 20, insert:

"Sec. 6. (a) A local educational agency shall be entitled to a payment under this section if, during a period designated as provided in subsection ( ), the number of children who reside on Federal property or with a parent employed on Federal property increased by an amount equal to 5 percent of the number of all children who were in the average daily membership of the schools of such agency during the regular school year immediately preceding the designated period: *Provided*, That children residing on any housing property which, prior to sale or transfer by the United States, was considered to be Federal property for the purposes of this act, shall not be considered as having been federally connected in determining the eligibility of the local educational agency under this section. Payments made under this section shall be in addition to payments made under other sections of this act.

"(b) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this section may not exceed the sum of the following:

"(1) The estimated increase, during the period designated as provided in subsection (e), in the number of children residing on Federal property with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 95 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated, and

"(2) The estimated increase, during the period designated as provided in subsection ( ), in the number of children residing on Federal property, or residing with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district).

In computing for any local educational agency the number of children in an increase under paragraph (1) or (2), the estimated number of children described in such paragraph who will be in the membership of the schools of such agency at the close of the period designated as provided in subsection (e) shall be compared with the estimated number of children who will be in the average daily membership of the schools of such agency during the regular school year immediately preceding the beginning of such period.

"(c) If (1) the estimated number of non-federally connected children who will be in the membership of the schools of a local educational agency at the close of the period designated as provided in subsection (e) is less than (2) a percentage of the number of such children who were in the average daily membership of such agency during the regular school year immediately preceding the beginning of the period designated as

provided in subsection (e) computed by multiplying such number by a percentage arrived at by adding to 100 percent, 3.5 percent for each regular school year in such designated period, then the total number of children counted for purposes of subsection (b) with respect to such agency shall be reduced by the difference between (1) and (2) hereof. For purposes of this subsection, all children in the membership of a local educational agency shall be counted as non-federally connected children except children whose membership in the regular school year immediately preceding the beginning of such designated period and during such period was compared in computing an increase which meets the requirements of subsection (a).

"(d) The total number of children counted by a local educational agency under subsection (b), after any reduction required by subsection (c) shall be reduced by the number of any such children with respect to whom payments have already been made under section 5. A child shall not be considered as not having been counted because the application of subsection (d) of section 5 resulted in a reduction of the number of children counted for purposes of subsection (a) of such section.

"(e) Each local educational agency which applies for payments under this section shall designate, as the period with respect to which the payment is to be made, a period consisting of specified, consecutive, regular school years. The period as designated may not include (1) any regular school year earlier than the 1951-52 school year, (2) any regular school year later than the regular school year immediately following the school year during which the application is filed, or (3) any regular school year designated in any prior application filed under this section on the basis of which payments have been made.

"(f) No payment may be made to any local educational agency under subsection (b) except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him, and which meets the requirements of section 7 (b) (1). In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the local educational agencies which have submitted approvable applications. No payment may be made under subsection (b) unless the Commissioner finds, after consultation with the State and local educational agencies, that the project or projects with respect to which it is made are not inconsistent with overall State plans for the construction of school facilities. All determinations made by the Commissioner under this section shall be made only after consultation with the appropriate State educational agency and the local educational agency.

"(g) Amounts paid by the Commissioner to local educational agencies under subsection (b) may be paid in advance or by way of reimbursement for work performed or purchases made as provided in the application, and may be paid in such installments as the Commissioner may determine. Any funds paid to a local educational agency and not expended or otherwise used for the purposes for which paid shall be repaid to the Treasury of the United States.

"(h) There are hereby authorized to be appropriated such amounts as may be necessary to carry out this section, and the amounts so appropriated shall remain available until expended.

"(i) None of the provisions of sections 1 to 11, both inclusive, other than this section and section 7 (b) (1), shall apply with respect to determinations made under this section."

Renumber the sections which follow and references to them accordingly.

Mr. WAINWRIGHT (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment and that it be printed in full in the Record at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. CANFIELD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk completed the reading of the amendment.

Mr. WAINWRIGHT. Mr. Chairman, I will not need the 5 minutes to explain the amendment. I apologize to the membership for its length and wish that I could have spared them the time that it has taken to read.

Mr. Chairman, what this amendment would do is to allow those school districts that have a small but steady growth to qualify under title I, Public Law 815. In other words, those school districts that reach a 5 percent eligibility during a stated period would qualify under this act. That is the sole purpose of this amendment.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I yield.

Mr. THOMPSON of New Jersey. My recollection might be faulty, but I do not recall that this was discussed in either the subcommittee or the full committee. Is my recollection correct?

Mr. WAINWRIGHT. The recollection of the gentleman from New Jersey is correct. I might say, however, that this was only called to my attention a short while ago or I would have presented it to the full committee.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. WAINWRIGHT. I yield.

Mr. FRELINGHUYSEN. Whether or not the subcommittee or the full committee considered the particular language of this amendment, I do not think is entirely relevant. There was certainly testimony before the committee and a discussion in executive session with respect to impacts which are gradual but which do continue over a period of years. Some effort was made to recognize that there was a Federal responsibility to help out in those situations. I understand the gentleman's amendment seeks to correct a particular inequity, where there has been a continuing impact, but not a sufficiently large one in a given period of time to qualify under present legislation; is that correct?

Mr. WAINWRIGHT. That is correct.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield further?

Mr. WAINWRIGHT. I yield.

Mr. THOMPSON of New Jersey. I stated that as the gentleman's amendment was read, one of the situations, which Mr. FRELINGHUYSEN alluded to, existed in New Jersey in Long Branch. We made, I think, nothing short of a heroic effort to work it out, but the complications are so great and the ramifications so many that we had to abandon it for want of something good.

Mr. WAINWRIGHT. The gentleman from New Jersey [Mr. THOMPSON] is



quite right. This was considered and brought up by the gentleman from New Jersey [Mr. FRELINGHUYSEN] and supported by the gentleman in committee, and it would do just that.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not know where this amendment came from. I do not know what it includes. I do not know how far-reaching it would be. I do not know how much it would cost. I know one thing. It has not been discussed in committee. I do not believe there are a half dozen men in the House who could explain it or understand it without reading it, and I have not seen a copy of it.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. WAINWRIGHT. I do not think there are a half dozen men in the House who understand the bill.

Mr. BARDEN. I think the gentleman is underestimating the intelligence of the House a little bit, but I just say this, Mr. Chairman. I have a lot of faith in the intelligence of this House, and for that reason I do not think they need one bit of argument against that amendment and I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WAINWRIGHT].

The amendment was rejected.

Mr. METCALF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. METCALF: On page 32, line 14, after the word "State", insert "Provided, That if for the fiscal year ending June 30, 1959, the application of clause (ii) of this sentence results in a lower local contribution rate than resulted from the application of such clause during the fiscal year ending June 30, 1958, as such clause was then in effect, then such clause, as in effect during the fiscal year ending June 30, 1958, shall be in effect during the fiscal year ending June 30, 1959."

Mr. METCALF. Mr. Chairman, this is the amendment about which I spoke earlier. This amendment will provide that even though we have changed the formula for a national floor from one-half of the national average of participating districts to half the national average of all districts, no school district will get less in the next fiscal year than it received in the last fiscal year. So that currently no one will be damaged as a result of the change, but we will cut out the spiral accelerating effect that will be so costly in a few years.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Montana and in support of the bill.

It would be a catastrophe if Congress and other branches of the Government continued policies which send multi-

tudes of defense workers and their families into every section of the country, leaving the local school districts to cope alone with the problem of educating the in-migrant children by local taxation.

The legislation under consideration today would make permanent the programs providing financial assistance in the construction and operation of schools in federally impacted areas. This would have a steady effect in many areas, especially those with comparatively small public revenue.

There has been a period of concern and disquiet among many of our public school educators about the continuance of this program which is due to expire on June 30, 1958. Some proposals of the administration, made through officers of the Department of Health, Education, and Welfare before Congress this January, were interpreted as placing the program of payments to these impacted areas in grave jeopardy. Traditionally, schoolteachers are evaluated on their teaching performances and new contracts are offered in the spring for the coming fall terms. School budgets are usually made up at the same time and uncertainties about these Federal contributions have added greatly to the problems of our already burdened teachers and administrators.

The State of Alabama received \$2,872,000 for maintenance and operation during fiscal 1957-58. Under the HEW formula, this figure would have been slashed to \$243,000, according to an estimate by the Department itself.

During fiscal 1957-58, the schools in the Eighth District of Alabama have received for maintenance and operation the following: Madison County Board of Education, \$90,000; Decatur City Board of Education, \$19,000; Tusculum Public Schools, \$19,000; Sheffield City Board of Education, \$38,000; Florence City Board of Education, \$53,000; Lauderdale County Board of Education, \$42,000; Colbert County Board of Education, \$23,000; Morgan County Board of Education, \$30,000; Athens City Board of Education, \$21,000; Scottsboro City Board of Education, \$6,000; Jackson County Board of Education, \$18,000; Limestone County Board of Education, \$30,000; Lawrence County Board of Education, \$10,000.

To some metropolitan areas of the country, these sums might appear pittance, but to our area they made the difference between high and low standards of instruction for thousands of American students.

The Eighth Alabama District contains the Redstone Arsenal, the germinal station for much of our achievements in outer space. While this Federal installation has been a most welcome addition to the north Alabama industrial complex and the influx of children has impacted our local schools, it has had another good effect. Its presence and its highly educated staff have made new demands for scientific and technical education on our local schools. The demand there is immediate, but the same general effect is being felt in all our schools since the Russian scientific advances.

I urge the House to approve the legislation under consideration. In doing so, we will be making substantial progress in meeting our obligations not only to the schools of today, but to those of the future.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the gentleman from Montana [Mr. METCALF], whether my understanding is correct, that no school district will get less, under his proposal, than it had been receiving under the old formula?

Mr. METCALF. That is correct.

Mr. FRELINGHUYSEN. For 1 more year?

Mr. METCALF. For 1 more year.

Mr. FRELINGHUYSEN. If the new formula is better than the old one, why do we not accept it immediately?

Mr. METCALF. Because there are some schools that have already budgeted that will lose from \$5 to \$7 per pupil. The accelerating effect does not go into operation until later years anyway. When we originally wrote the amendment for the national floor, we only wrote it for 2 years, and did not anticipate this accelerating effect. I see no reason why we should not continue payments at the same rate as we had last year. In changing over we adopted a new formula that goes up a little more slowly. The national average is about 5 percent, but I do not think it was the intention of any member of the committee to penalize a school district or a pupil that was getting payments under the old law.

Mr. FRELINGHUYSEN. The basic reason is that there would be an inequity created by the proposed change in this legislation, and this is the way of correcting that inequity.

Mr. METCALF. I doubt if a half a dozen school districts in as many States have to look to this amendment, because the increasing cost of education on the national level will probably raise the per capita payment up to and above the \$145.20 that it was last year in all participating districts.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. CHELF. May I ask the gentleman from Montana [Mr. METCALF], whether this applies to all sections or all localities equally, no matter what the size of the county or the size of the school? Are they all going to be treated the same?

Mr. METCALF. They are all going to be treated the same, as far as this amendment is concerned. Of course the gentleman from Kentucky understands there are other provisions in the law that prescribe different treatment.

Mr. CHELF. But as far as your amendment is concerned.

Mr. METCALF. As far as this amendment is concerned they are all going to be treated the same. No school district, big or little, will get less next year than it received last year.

Mr. CHELF. I want to take this opportunity to compliment not only the full committee but the members of the subcommittee who have devoted so much time to this very, very complicated problem. I say that on behalf of my people,

because truly we do need this down home. There will be an extra star in your crown for the kids of America, because you are taking care of them. You take care of America when you take care of our kids.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. BAILEY. When I was discussing this legislation under the rule, this is the amendment that I said would be offered by the distinguished gentleman from Montana to clarify a particular point.

Mr. METCALF. That is correct.

Mr. BAILEY. I think it is a good amendment. I see no objection to it. It will certainly remove any discrimination about it.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield.

Mr. HIESTAND. I would like to know from the author of the amendment if it provides distinctly that when and if a district no longer needs this help we keep on paying them anyway?

Mr. FRELINGHUYSEN. Mr. Chairman, I yield to the gentleman from Montana to answer the question directed to him.

Mr. METCALF. As the gentleman knows, where the district needs help for the category A children in the district there is the Federal responsibility to take care of them, likewise with class B children there is a Federal responsibility to aid those federally impacted districts if they are entitled to it. Under this bill they get aid whether there is need or not. My amendment does not change those provisions of the bill.

Mr. HIESTAND. Does not change eligibility?

Mr. METCALF. It changes no eligibility whatever; we just change the formula which says half of all the 50,000 districts instead of half of 3,300 districts. But my amendment says that no one will suffer as a result of that change.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. RHODES of Arizona. Mr. Chairman, I shall not take the 5 minutes; I just want to ask the gentleman from Montana another question.

Lest any school district feel that this might be an annual occurrence, we are extending the provisions of this particular section of the act for another year only. I think the gentleman from Montana will agree, that the reason for his amendment is to take care of situations in which school districts would otherwise be cut out of participation in this law but in which for the next fiscal year the school districts have been led to depend on the availability of money which would come in under the old formula. Many district's have actually budgeted that money. In my mind, as one member of the committee and as far as I am concerned there would be no question of further extension of the old formula, and from now on the new formula will apply.

Mr. METCALF. I thank the gentleman from Arizona. The cost of education on a national average increases

about 5 percent per year. If we have a normal increase the difference between the new formula and the old formula will naturally increase. So, even if my amendment is adopted it will affect these districts for only 1 year, and thereafter they will get more money under the new formula than they are at present receiving under the old.

Mr. RHODES of Arizona. And the gentleman will agree with me, will he not, that we have no intention of expanding operations under the old formula beyond this particular fiscal year?

Mr. METCALF. That is right; we want to end that old formula and cut out the built-in spiral effect permanently.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. THOMPSON of New Jersey. The gentleman from New Jersey [Mr. FRELINGHUYSEN], I believe, asked whether this continues whether the district needs it or not; and I might suggest that if the gentleman has districts which are impacted but which do not need the money they do not need to apply, especially the category B class, and they will not be paid; and, eventually, if all the children are housed there will be no assistance. So the gentleman need have no fear of the money being wasted in his district.

Mr. RHODES of Arizona. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana.

The amendment was agreed to.

Mr. ROOSEVELT. Mr. Chairman, I have two identical amendments to titles 1 and 2 at the desk, and I ask unanimous consent that they may be considered en bloc.

Mr. BARDEN. Mr. Chairman, reserving the right to object, what are these amendments?

Mr. ROOSEVELT. This is the amendment I presented in committee. The gentleman will remember it was voted down. It is my amendment instead of being Mr. POWELL's amendment, and it comes on page 22 and on the last page of the bill.

Mr. BARDEN. The gentleman means he is now buying over the partnership?

Mr. ROOSEVELT. I might add there is no partnership.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. ROOSEVELT: Page 24, line 3, after the word "section" insert a new section:

"CONFORMITY WITH SUPREME COURT DECISIONS

"SEC. 14. Notwithstanding any provisions of this act, no payment shall be made to any local educational agency under this act unless such agency gives assurance to the Commissioner in writing that its school facilities are open to all children without regard to race, in conformity with the requirements of the decision of the Supreme Court of the United States relating to racial segregation in public schools, or that it is proceeding with a plan for integration which plan has not been held by any Federal court to be contrary to the provisions of such decisions, and the Commissioner makes a

finding that such assurances as provided above conform to the existing facts."

Page 34, line 5, after the word "thereof" insert the following new section:

"SEC. 206. Such act is amended by inserting immediately after section 8 thereof the following new section:

"CONFORMITY WITH SUPREME COURT DECISIONS

"SEC. 8a. Notwithstanding any provision of this act, no payment shall be made to any local educational agency under this act unless such agency gives assurance to the Commissioner in writing that its school facilities are open to all children without regard to race, in conformity with the requirements of the decision of the Supreme Court of the United States relating to racial segregation in public schools, or that it is proceeding with a plan for integration which plan has not been held by any Federal court to be contrary to the provisions of such decisions, and the Commissioner makes a finding that such assurances as provided above conform to the existing facts."

Mr. ROOSEVELT. Mr. Chairman, over the years, the desirability of anti-segregation amendments has troubled those of us who believe in much-needed and overdue school-aid legislation. Because I have always believed in the fundamental principle behind these amendments, I have supported them in the main. However, many of my colleagues who are just as opposed to the use of Federal funds for segregated schools as I am, and for whose judgment and sincerity I have the greatest respect, have opposed the amendment because they felt that reactionary forces were cynically using it merely as a device to defeat the basic legislation itself.

In the last session I decided as did many others, including my colleague from Michigan [Mr. DICGS], that we should not once again cloud the fundamental issue of aid to school construction by another civil rights debate. I hoped that we could get additional schools and desegregated schools in two parallel steps. But once again, after voting to support the anti-segregation amendment offered by Representative WAINWRIGHT, the Republicans turned around and then cynically voted to kill the school-aid bill itself. I cannot believe they would do so again.

This maneuver might seem to indicate that those of us who favor school aid should oppose the anti-segregation amendment. However, one important event has taken place since the vote in the Congress last year, which I think makes it imperative for those of us who are opposed to the use of Federal funds for segregated facilities to support the amendment which I have offered. On February 25, 1958, Secretary Folsom in a letter to Roy Wilkins, executive director of the NAACP, stated:

(1) That under the Supreme Court decision, it is the Federal judiciary and not the executive branch of the Federal Government which is to determine how compliance with the Supreme Court mandate is to be brought about and what constitutes compliance in good faith; (2) that judicial implementation of the Supreme Court decision, in the manner charted by the Court in its decree, and the meeting of the urgent overall educational needs of our country can go forward at the same time; (3) that we will not assume that it is essential in order that progress may be made in the



former to reserve or withhold funds necessary to progress in the latter.

Frankly, I am shocked by this negative do-nothing attitude of the administration. The job of securing the constitutional guaranties of our citizens is a job not only for the judiciary, but for the executive branch of the Government and the Congress as well. If the Administration has seen fit to abdicate its responsibility, it becomes even more urgent that we in the Congress do our job. For that reason I have offered an amendment to this bill which would require the Federal Government to take what I regard as minimum steps to help bring about compliance with the Supreme Court decision. For the same reason, I feel that the Congress must at this time take the necessary measures to see that the funds which will be made available under this legislation are not used to build segregated schools.

I had hoped that the administration would recognize its obligation not to use Federal funds for segregated schools. If, however, the Federal Government refuses to acknowledge and carry out its obligation in that respect, then it becomes mandatory for the Members of this body to support legislation which will bar Federal payments to segregated school systems.

The pending legislation recognizes that it is the continuing and permanent responsibility of the Federal Government to provide Federal financial assistance to the construction and operation of schools in areas affected by Federal activities. There is an equal responsibility, in my view, for the Federal Government to see that this financial assistance is not used to thwart the law of the land.

There is also a significant distinction, I feel, between the general school-aid construction bill and the pending legislation. It has been a consistent Federal policy to bar discrimination in Federal activities. For example, while there is no Federal law outlawing discrimination in employment, nevertheless contractors who do business with the Government are required by Executive order not to discriminate in hiring or firing. Similarly, the Federal Government has a responsibility to see that school facilities made necessary because of Federal activities should be open to all children of Federal military and civilian personnel without discrimination.

Finally, I say to my colleagues who have always supported the principle of nondiscrimination but have opposed the antisegregation amendment out of a well-founded fear that the amendment was being exploited to defeat the basic legislation, that a different political situation obtains with respect to this bill. This legislation has since it was first enacted in the 81st Congress always enjoyed greater support than the general school-aid bill. I feel that it is possible, in this instance at least, to get both needed school-aid legislation and desegregated schools at the same time. And it is for this reason that I am supporting this amendment and I hope my colleagues will do likewise.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Montana.

Mr. METCALF. I want to point out that the boys and girls whose parents both live and work on Federal property are largely on military bases and throughout every area of the country where there are segregated schools being operated off the base, then the military operates integrated schools upon the base. I know of no instance—and I hope if you know of one you will tell me about it—where Public Law 874 money is going to support a segregated school for class A children.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was offered in the committee. The committee, in my opinion, did a good job in writing this legislation. I think every Member of this House knows the objective of this piece of legislation. We are certainly acquainted with the tremendous amount of good it has done. I do not believe there is anyone in this Chamber who believes that this amendment will make any contribution to the successful operation of the program or be helpful in the operation of the schools or will make any contribution to this very fine piece of legislation.

There were members on the committee who, if the issue was presented in the proper place, at the proper time, for proper legislation, would have approved it, and yet on that committee, with its members dedicated to trying to work out the best piece of legislation and the most workable piece possible, realizing that this was no place for this type of issue, there were only four of those present who supported it.

Now, what does that mean? That means that the overwhelming majority of the members thought too much of the legislation to let a side issue complicate or jeopardize the legislation. Now, I am not going to go off into a lot of harangue about this. I say this, and I think you will understand what I mean, any action that is taken in accord with the so-called leadership of the gentleman from California will not expedite the passage or the final consideration of this bill.

Let us forget the amendment and go on with the good piece of work that we have been doing up to now in this House on this legislation.

Mr. Chairman, I am opposed to the amendment.

Mr. DIGGS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, first of all I think I should bring to the attention of the House the fact that the gentleman from California [Mr. ROOSEVELT], the author of this particular amendment, came from a sickbed in a hospital to reaffirm and reiterate the philosophy that it represents. It is a tribute to the courage of his convictions that he came here under those circumstances, and, whether we agree with the amendment or not, his action certainly should raise him another

notch in the esteem of all the Members of this body.

I do not think there are any Members of the House who do not understand the meaning of this amendment and, therefore, I do not propose to consume a lot of time editorializing about it. I think the gentleman from California explained it explicitly and I hope those who listened to him were able to see the distinction between this amendment and amendments which have been offered on this subject in the past as applied to school construction.

This particular amendment is only aimed at those States that have by law or by statements of their sovereign leadership absolutely defied compliance with the Supreme Court decision. This amendment is aimed at those States who, among other things, have made it a criminal offense to attend an integrated school. This does not involve the entire South. This, therefore, cannot be classified as an anti-Southern measure. It actually applies only to 3 or 4 States.

In answer to the distinguished gentleman from Montana [Mr. METCALF], who questions whether these funds would affect schools outside of military installations that come under the jurisdiction of this act, I wish to point out that a school district needs only 5 percent of the school population to be from an impacted area to receive funds under this particular measure. Therefore, there are school districts outside of military installations throughout these affected areas where the practice of segregation is denying the type of educational facilities and procedures that are necessary if all citizens are to receive equal opportunity.

The total money allotted to the recalcitrant States has amounted to over \$192 million since the operation of Public Laws 815 and 874, which means that the Federal Government has already spent a huge sum in support of segregated facilities.

The question this afternoon, therefore, is whether or not we can trust the officials of these defiant States to handle this Federal assistance for the education of all of our citizens without regard to segregated patterns. According to our experience and observation, the answer is emphatically negative. In view of the current intensified interest in elevating the educational standards of our country and its relationship to our defense effort, it is unthinkable that we not support this amendment and eliminate the acknowledged general inferiority of segregated training.

The CHAIRMAN. The time of the gentleman has expired.

Mr. METCALF. Mr. Chairman, I move to strike out the last word, and rise in opposition to the amendment.

Mr. Chairman, the gentleman from California said that one of the reasons for the adoption of his amendment was that we were making permanent legislation of category A children, that is, children who both live and work on Federal property and, therefore, because it was permanent legislation, we should put in his amendment. But, of course, those children, and those were the children I

referred to when I interrogated the gentleman from California, are largely living on military bases. I know of no instance where a category A child whose parents both live and work on Federal property is being discriminated against or where the district in which that child lives is getting payments under Public Law 874.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. ROOSEVELT. I think it is only fair to point out that considering the city of Los Angeles, for example, we have a relatively small number of category A children but a tremendous number of category B children and it is the category B children who in the main may be the largest number affected and not the children of parents who live and work on military or other Federal property.

Mr. METCALF. Yes; I was coming to that. With reference to the category B children, and I will accept the figures that the gentleman just gave to us of \$198 million that have been paid to the States where segregated schools are operated—again, it seems to me the way to do is to follow the Supreme Court decision calling for deliberate speed to work this thing out as tolerantly and as kindly as we can. All the category (b) children are going to come up for renewal in 3 years in 1961. It seems to me there is no place for this amendment in this legislation, which has been so important for white and colored both, not only in the South but all over the United States. As I say, there is no place in this legislation for the kind of amendment the gentleman from California has submitted. Perhaps, 3 years from now, if the thing has not gone forward as the Supreme Court anticipates and as some of us hope it will go forward, there may be a need for the amendment. But, I have insisted all along that there is plenty of law to take care of such a situation without this amendment. The events at Little Rock surprised even me. The administration has plenty of authority to do just exactly what the gentleman from California wants to do without this amendment going into this specific law. The only thing the adoption of this amendment will do will be to overrule the Supreme Court on this matter of deliberate speed. The only thing it will do will be to say to the administration, "You are not going fast enough," and to make a situation that is already troubled even worse. The Members of the House know that if this amendment is adopted today on this bill, it will kill one of the most beneficial pieces of legislation that has ever been adopted for the education of our children throughout the United States.

The CHAIRMAN. The question is on the amendment of the gentleman from California [Mr. ROOSEVELT].

The question was taken; and on a division (demanded by Mr. DINGS), there were—ayes 25, noes 132.

So the amendments were rejected.

Mr. METCALF. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. METCALF: On page 31, line 22, strike out the period and insert in lieu thereof the following: "Provided, That this paragraph shall not apply to any agency or consolidated agency which has qualified for payments under this act before the date of enactment of this proviso by virtue of having less than 35,000 average daily attendance during the fiscal year ending June 30, 1939."

Mr. METCALF. Mr. Chairman, when this law was originally passed it provided there should be a 3 percent absorption of all Federal impacts so that any school district that had a Federal impact would have to absorb 3 percent of that before any payment was made. It also provided that in order to be eligible for participation in this program, school districts with average daily attendance of 35,000 in 1939 had to have a 6-percent impact.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. NICHOLSON. What does that 35,000 mean?

Mr. METCALF. That was apparently an arbitrary figure that was just picked out of the air back there years ago—in 1939. It was an arbitrary change. Some figure had to be picked out, and they picked out 35,000 as a figure, separating the big school districts from the little ones. They picked out 1939 as the effective date.

Mr. NICHOLSON. If the gentleman will yield further, all towns in my State have—

Mr. METCALF. Not population of the towns. It is the average daily attendance of the school district.

Mr. NICHOLSON. Well, we do not have any school districts. We have one school in each town, supported by each town, with a very few exceptions. How would this affect us?

Mr. METCALF. I have not seen any of the Massachusetts districts that are affected by the old law or the present amendment. So the amendment I am going to propose would not affect you in any way whatsoever, and I do not believe you are affected because you have to have a very large school district in order to have an average daily attendance of 35,000.

But we said, in order to qualify for aid you have to have this 6 percent impact. Then, in 1955, we removed the 3 percent for all districts except the large districts. So the law in effect at the time the hearings were held this year provided that school districts that had an average daily attendance of 35,000 in 1939 had to have a 6 percent impact and had to absorb 3 percent of that impact. There were seven such districts: Los Angeles, San Francisco, Denver, Hawaii, Columbus, San Antonio, and Seattle districts. In order to qualify those districts had to have a 6 percent impact and then had to absorb 3 percent.

Several times previously when this bill was on the floor the gentleman from Colorado [Mr. ROGERS] has said that that 3 percent absorption feature was unfair, and I have stood up and voted with him on that proposition.

But this year we said that a school district that has achieved 35,000 daily attendance after 1939 shall be treated the same as a school district that had achieved that daily average attendance before 1939. So the subcommittee moved the effective date from 1939 to 1957. That brought in 18 more school districts that would have to have this 6 percent impact in order to qualify and then absorb the first 3 percent. One example of such district is the Fairfax, Va., School District, in the district of the gentleman from Virginia [Mr. BROYHILL] which has a total average daily attendance of 36,000 and gets \$1,719,000 payment under Public Law 874.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman.

Mr. BROYHILL. Yet the county has a more serious school problem for the future by far than it has now.

Mr. METCALF. I agree with the gentleman. So the committee said this 3 percent absorption proposition was unfair. The gentleman from California [Mr. ENGLE], the gentleman from California [Mr. WILSON], and the gentleman from Colorado [Mr. ROGERS] all have vehemently contended before the committee that it was unfair. They had to show a greater impact in order to qualify and then when they showed the greater impact they had to absorb part of it. So the full committee said they would remove the 3 percent entirely.

In removing the 3 percent entirely we found that four districts in the United States have been unfairly treated: The Hillsborough District in Tampa, Fla.; the Baltimore District in Maryland; the Omaha city schools in Nebraska, and the Greenville District in Greenville, S. C. Greenville, S. C., for example, has had a good strong consolidation program under which it consolidated many smaller districts and now it has achieved a school district in excess of 35,000. This consolidated district has about a 4 percent impact. Prior to this time most of the districts were receiving payment under Public Law 874.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(By unanimous consent Mr. METCALF was allowed to proceed for 5 additional minutes.)

Mr. METCALF. The committee and I believe everyone else in education wants to encourage consolidation if it is in the interest of economy or efficiency in teaching, yet such a proposition as this would discourage it if the school district rendered itself ineligible for payment under this act or was required to absorb 3 percent of the payment.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. BARDEN. I just wanted to comment on the consolidation. I believe that the number was 82 school districts that were consolidated.

Mr. METCALF. Eighty-two small districts were consolidated and made 1 district with an average daily attendance of over 35,000, certainly good administrative procedure.



Mr. ASHMORE. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from South Carolina.

Mr. ASHMORE. I appreciate the gentleman's statement of clarification of the amendment he has offered, and I am glad to say that it is in behalf of my home town and county, Greenville, S. C. I happen to know that the gentleman's statement as to the effect of the bill is absolutely correct, because many years ago 82 small districts in my county were consolidated into 1 school district. We were trying to follow the recommendation of the educational authorities of the country who said that we should consolidate to provide a modern, up-to-date school system. In doing that we thought we were doing right, and still think we were, and thereby received funds from the impacted area legislation. Due to the fact that the Donaldson Air Base is located there, we received \$100,000 annually. Suddenly we found we were left out entirely. In talking with the gentleman from Montana and other members of the committee I was informed that there was no intent to leave out Greenville County, S. C., and these three other areas, but that it was just an unintentional inequity due to the new formula. I hope and trust that this amendment will be adopted so we will not be penalized for consolidating and trying to establish and maintain a modern school system in the district.

Mr. METCALF. I thank the gentleman. That is the general purpose of this amendment, to update Federal aid from 1939 to 1957. If this amendment is adopted no district that is getting payment under the present law will suffer from the updating.

It would provide that a district which has consolidated would continue to get the payments it received before. That does not mean the district will not continue to have the 3-percent or the 5-percent impact in order to qualify, but after the 3-percent or 5-percent impact has been achieved, even though they are over 35,000 average daily attendance, they would not have to have an additional 3 percent to qualify for aid under Public Law 874.

This is an amendment similar to the last one I offered in order to maintain the status quo for several districts that are penalized as a result of that change in the law.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. RHODES of Arizona. I want to ask the gentleman the same question I asked him on the previous amendment, would he agree with me this will be the last time this provision will be in a bill of this nature? In other words, after this we intend to adopt a new formula, and any school district which might budget funds based on the old formula, hoping we would, from year to year, extend certain parts of the old formula would be ill-advised?

Mr. METCALF. Any district in the future has to come in under the provisions of the law as amended. I agree with the gentleman.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Maine.

Mr. McINTIRE. Mr. Chairman, I favor this legislation, for it will work toward satisfying a need of the many communities in Maine that are, in a large sense, integrated with military installations related to our national defense.

The establishment of numerous defense installations in Maine has effected a dynamic impact on Maine communi-

ties, requiring equally dynamic adjustments.

This legislation has merit inasmuch as it is designed to assist those communities that are struggling to expand their educational programs in an effort to accommodate federally impacted children.

I submit for insertion in the RECORD pertinent lists relating to the aid received by Third District, Maine, communities since the original enactment of Public Law 815 and Public Law 874:

Public Law 874

District	Aggregate assistance 1950-51/1956-57	1956-57 year only			
		Assistance	Number of pupils		Assistance attributable to—
			3a	3b	
Bangor.....	\$249,304	\$83,112	240	417	\$44,474
Brewer.....	4,060	4,060		47	
Caribou.....	105,955	18,342		229	
Castle Hill-Chapman-Mapleton Community School District.....	21,787	5,654		64	
Dover-Foxcroft.....	2,945	2,945		36	
Fort Fairfield.....	67,252	9,993		124	
Grand Isle.....	2,524	726		10	
Hamlin Plantation.....	1,639	871		12	
Hampden.....	4,356	4,356		60	
Hermion.....	3,412	3,412		47	
Limestone.....	749,561	239,632	1,011	238	213,322
Mars Hill.....	9,663	5,529		67	
Presque Isle.....	154,340	40,698	116	231	20,393
Southwest Harbor.....	9,304	2,187		29	
Van Buren.....	53,732	16,335		225	
Washburn.....	20,159	4,546		56	
Winter Harbor.....	7,987	3,230		35	
Total.....	1,467,980	445,628	1,367	1,927	278,189

Public Law 815

Under title II, sec. 202: Limestone (high school equipment).....	\$11,173
Under title III, sec. 305:	
Limestone (high school).....	183,000
Limestone (addition to high school).....	38,880
Caribou (junior high school).....	66,000
Bangor (Garland Street Junior High School addition).....	49,820
Under title II, sec. 204: Limestone (Loring Air Force Base, Damon School).....	916,944
Under title III, sec. 310: Limestone (Loring Air Force Base, Harrison School).....	481,790

NOTE.—Other applications are pending.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Florida.

Mr. CRAMER. I want to congratulate the gentleman for the introduction of this amendment and for his courtesy in consulting with my office and others that are affected by this proposed bill which updates the date for qualification from 1939 to 1957 and thus disqualifies my district in the future although it has qualified in the past. There are actually 5 school districts, I believe, that will be affected, 2 of them in my district, Hillsborough and Pinellas. Pinellas did qualify this year, 1958, and will also continue to qualify under the gentleman's amendment. I want to call that to the attention of the Committee and I thank the gentleman for offering the amendment which I previously discussed at length during general debate. It is a very equitable proposition.

Mr. METCALF. The gentleman from Florida has always been a strong supporter of this legislation. He made a fine statement before the Committee and it would be ironic if his two main districts were exempted from the bill as a result of an improvement in the law.

Mr. CUNNINGHAM of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. CUNNINGHAM of Nebraska. I, too, want to support the amendment offered by the gentleman from Montana. I represent the Omaha District where we have the headquarters for the Strategic Air Command. This matter of impacting of the district is growing and growing and this is going to mean a great deal to us and to the children of the people who are residing there.

Mr. METCALF. I thank the gentleman. His District is one of the examples.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. METCALF].

The amendment was agreed to.

Mr. UDALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL: On page 33, strike out lines 12 through 20 and insert the following: "Section 9 of such act is amended by inserting after '(A)' the following 'except for purposes of section 6.'"

Mr. UDALL. Mr. Chairman, this is the amendment mentioned by several of my colleagues and concerns the changing of the definition of Federal property

to arbitrarily provide that we treat airports and other places owned by municipalities as Federal property under specified conditions.

This provision was proposed by my colleague from Alabama [Mr. ELLIOTT] to cover a specific situation at Birmingham, Ala. However, his proviso, which you will find on page 33 of the bill, was not tailored to meet that specific situation. It was tailored in general language and says:

Any facility engaged in the modification of aircraft or aircraft engines under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or by a political subdivision of a State.

I propose to strike out this language, and I do so with reluctance. I have an installation in my Congressional District which would entitle my school districts to additional aid. My reluctance also relates to the fact that I have the highest regard for my colleague from Alabama who very sincerely proposed this change. Let me be very concise in stating my case. The subcommittee, of which I am a member, did not consider this proposal. No one knows how many school districts will be affected. None of us can say what the cost of this amendment will be, and we have tried to be very conscientious in past years in determining the reach of any new amendments.

The other reason I propose it is that if we are going to open this new door to Air Force installations, we should be consistent and open it to similar installations of the other services. However, at the moment we have no way of knowing how many installations have similar Navy or Army contracts.

Therefore, these are the two reasons why I propose this amendment and why I feel it has merit.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would just like to congratulate the gentleman for offering the amendment. I think he gave very good reasons for his supporting it, and I simply strongly urge that we adopt his amendment.

Mr. UDALL. I thank the gentleman.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I thank my colleague for offering this amendment. I shall support it. I would also like to call attention to the fact that both of us support this amendment even though it appears that two plants in our own districts might be affected.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Kentucky.

Mr. PERKINS. In redefining the definition of Federal property, is it the intent of your amendment to keep in the bill the so-called flying school or to exclude them?

Mr. UDALL. This does not affect them. This is very specific and only

covers contract facilities with the Air Force.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from North Carolina.

Mr. BARDEN. In order that the record may be clear, this does not in any way affect the flying schools?

Mr. UDALL. No, it does not.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the course of our earlier discussion of this particular amendment it was pointed out that although there are elements of uniqueness to the Alabama situation, the fact is that there are other school districts in a similar condition if they were to apply. I refer in particular to one in my district where, on a county-owned airport, the same type of activity is being undertaken on the conversion of aircraft and the engines for those aircraft. There are similar situations in California, Ohio, and elsewhere. Although it is unfortunate that we must oppose our distinguished colleague and friend from Alabama in this way, I think that common sense and good administration of this particular act require that this amendment be eliminated.

Mr. ELLIOTT. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Arizona [Mr. UDALL].

Mr. Chairman, the situation with respect to this matter is as follows: In Birmingham, Ala., which is not in the Congressional District which I am privileged to represent, there is an airport, a part of which was originally built by the Federal Government and then returned to the municipality of Birmingham subject to a recapture clause. The airport was taken over again by the United States Government, by the Air Force, during the Korean war, for this purpose: for the purpose of leasing it to a concern known as Hayes Aircraft Corp., which used it to modify aircraft engines for the Air Force. As the result of that, the nearby school district known as Tarrant City, Ala., was paid for about 150 children whose parents worked at this facility modifying aircraft for the Air Force. These payments continued through the fiscal year 1957. A question has been raised as to what the cost is. In the fiscal year 1957 the cost to the United States Government was \$3,480. That is what it cost. But on January 1, 1957, the Air Force gave this section of the airport where these engines are being modified back to the city of Birmingham, but the Hayes Aircraft Corp. continued to modify engines at that very spot under contracts exactly like or perhaps the same ones they had during the period prior to January 1, 1957, and these 150 children continued to go to Tarrant City schools just as they had done in years before.

I submit, Mr. Chairman, that there is no equity, simply because the Air Force returned that part of the airport which was being used for this purpose to the city of Birmingham, in depriving this little school district of assistance

for the education of these children which it had enjoyed during the previous year.

Mr. Chairman, also I should like to point out to the members of the Committee that the Federal Government has a recapture clause in connection with this particular section of the Birmingham Municipal Airport. At any time within a period of 10 years the Air Force or the Department of Defense may recapture or take over this very section of the airport again.

Let me say to the Chairman of the Committee of the Whole House that as I see it, if we are going to do equity and justice in behalf of these same schoolchildren as we did through the fiscal year 1957, we must allow this language to stay in the bill, which the full committee adopted when it was before the committee some 2 or 3 weeks ago.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from the Ninth Congressional District of Alabama where the Hayes Aircraft Corp. is located, and where Tarrant City is located.

Mr. HUDDLESTON. Mr. Chairman, I want to commend the gentleman from the Seventh Congressional District of Alabama for the very fair and forthright explanation he has made of the provisions contained in this particular section of the bill. I would like to call the attention of the Committee to the fact that the deed which the gentleman made reference to was a deed from the Department of the Air Force to the city of Birmingham. The 150 children to whom the gentleman referred are students enrolled in the city schools of the city of Tarrant, Ala., which was in no way involved in the deed of transfer between the Air Force and the city of Birmingham. The operation which has been taking place at the Hayes Aircraft Corp. is the same which they are now doing, under the same contracts under which they were operating and which they will continue to operate. This entire amount of \$3,400 which the gentleman from Alabama [Mr. ELLIOTT] has mentioned would all go to, as it has been going to, the city of Tarrant.

Mr. ELLIOTT. Mr. Chairman, I would like to say to the gentleman at that point that I have been able to find no other school district in America that has exactly the same situation as the one to which this amendment refers, not a single one. And yet those who offer the amendment would give the impression that if it were to pass, it might lead to great additional costs on the Federal Government.

I should like to say to the members of the Committee that in my judgment this is the only school district in America that will be affected if the language is allowed to stay in the bill.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Mr. Chairman, I would like my distinguished friend to understand that I have no intention of putting forward a false concept. Under existing conditions I



believe the gentleman's statement is correct. But if this were allowed to become law and were carried to its logical conclusion a great number of others could come in under it.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. ELLIOTT] has expired.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure I shall not consume 5 minutes of the time of my colleagues, but this proposal to which this amendment is directed is not included in the report of the subcommittee of 7 members that went to the full committee of 30 members. It was offered during the deliberations of the full committee in considering the report of the subcommittee. I have noted, Mr. Chairman, that the gentlemen who have spoken in favor of the proposed amendment are members of the subcommittee who opposed it in the full committee. As chairman of the subcommittee, I am in favor of carrying out the instructions of the overall committee which wrote this amendment in and, therefore, I propose to vote against the amendment. I sincerely hope that it will be the pleasure of my colleagues to vote against the amendment.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to call the attention of the Committee to the minority views beginning on page 93 of the committee report. On page 94, there is a list of 8 plants, all of which are engaged in manufacturing aircraft or aircraft parts on contract with the Air Force. Under the terms of the bill, which the amendment of the gentleman from Arizona would strike, the Department of Health, Education, and Welfare feels that children of workers in those plants would definitely meet the test of Federal impaction, which would cause their school districts to receive benefits under this law. We do not know how many employees there are. We do not know how many children are involved. We are not even sure that this is a complete list. In fact, Mr. Chairman, I am satisfied from my own knowledge that it is not a complete list. Furthermore, if this amendment were to be made just, it would have to apply to every plant in this great land of ours that is situated on municipal property and which makes any materiel for the Army, Navy, or Air Force. There is no logical reason why such a provision as this should be applied only to plants making airplanes or airplane engines for the Air Force.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. UDALL. I wonder if the gentleman would agree with my point of view on this. If this amendment, as was the case with the nine flying schools that we previously considered, that are not affected by this—if this concerned this one situation which, as described by our colleague, the gentleman from Alabama, is an inequitable situation, we might very well be taking that one situation and considering it on its merits, have passed an amendment to cover it. But, this

opens up such a wide door that none of us can say how broad it would be. That is the real factor which causes us to oppose the amendment and not the equity or the inequity of the particular situation.

Mr. RHODES of Arizona. My colleague from Arizona is absolutely correct. We do not know how broad the door is. We do now know how many dollars are going to go through that door before we find out how broad it is. Mr. Chairman, the gentleman from Arizona is also right in that this committee has been very zealous in trying to correct inequities as they appear. When it becomes obvious to us that there are inequities and we are able to get the facts to show what the ultimate effect of a suggested solution would be, we have tried to correct any given inequity. This is so broad we have no idea how far it will go.

I ask that the committee vote "aye" on the amendment.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a great deal has been said, in the course of the debate on the amendment to strike out this particular part of section 205 of the pending legislation, about the fact that it is so broad in scope. There seems to be a great deal of question as to how far it would go and what the entire scope of it would be. I think that may result from a misunderstanding of the language of the provision contained in the bill. The bill provides that the definition of Federal property shall be expanded to include any facility engaged in the modification of aircraft or aircraft engines under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or political subdivision of a State.

There is no similar type of operation anywhere else in the country, which will be involved. The best information I have is that Hayes Aircraft Corp. is the only one of its kind in the Nation, and it alone is covered by this section.

The situation with regard to Jefferson County, Ala., which I am privileged to represent in the House, is that during World War II the Federal Government constructed an aircraft modification, maintenance and overhaul plant on ground adjacent to the Birmingham Municipal Airport. At that time title to the property, the building and real estate, was vested in the Federal Government. Immediately following World War II this property was deeded to the city of Birmingham. At the beginning of the Korean conflict the property was again recaptured by the Department of the Air Force under a provision in the deed, and was utilized under contract with the Hayes Aircraft Corp. to modify and maintain and overhaul aircraft parts and engines. On January 1, 1957, the Department of the Air Force deeded this property back to the city of Birmingham but kept a 10-year recapture clause in the deed, so that any time within the next 10 years the Federal Government could recapture the property in the event of a national emergency.

Mind you, that was a deed from the Department of the Air Force to the city

of Birmingham, Ala. Surrounding Birmingham are many other small municipalities. One of these is the city of Tarrant, Ala., a separate municipality which has its own school program. One hundred and fifty children of parents who are employed in the Hayes Aircraft Corp. live in the town of Tarrant and attend the Tarrant public schools. The city of Tarrant will be saddled with the cost of schooling for these additional 150 children. No one will deny that Tarrant is an impacted situation. It would seem to me that this provision should be kept in the bill so that these people will receive the benefits along with the rest of the school districts in impacted areas.

There is ample precedent for including this provision in the bill. You will recall that the last time this legislation was under consideration for extension, the House very generously voted to include certain flight training schools under the impacted area program. This situation is very similar to the people attending the flight training schools. In that particular case, the schools were operated under a contract between the Air Force or the Army and a private individual, and were, in large part, conducted on the sites of municipal airports. This situation is the same. A private contractor conducts an operation on property formerly owned by the Federal Government but which has been deeded back to a municipal airport. The situation is similar to that we had confronting us at the time we put in the amendment regarding the flight training schools.

I sincerely hope the amendment offered by the gentleman from Arizona will be voted down.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I take this time only for the purpose of stating my views and the reason why I supported the amendment that incorporated this provision in the bill. It was simply this: I understood that we were providing legislation to help where an impact came on school districts, and I construed an impact to be that when an operation was sponsored and carried on in connection with the Federal Government on non-tax-producing property there certainly was no way to avoid an impact on that school district; that was my reason. I do not argue with anybody who has another view on this problem.

I understand on this particular piece of property the Federal Government has a 10-year recapture clause. It does not make any difference whether the property is owned by the city, the State, or by the Federal Government, it does not pay 1 penny of tax to educate the school children who have been dumped on that school district—that was my reason. I felt that if the Federal Government should step back in and recapture the airport, as it has a right to do, it will not change the tax status of that land one particle. It does not pay any taxes now, it did not pay any taxes when the Federal Government had it, and it will never pay any taxes until it gets back into the hands of private individuals.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. WAINWRIGHT. I certainly understand the gentleman's reasoning. However, if the Udall amendment is not adopted and the gentleman's reasoning is correct would not any concern doing work for the Federal Government become eligible under the law?

Mr. BARDEN. No, I do not agree with that interpretation, because the bill provides that "any facility engaged in the modification of aircraft, or aircraft engines, under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or by a political subdivision of the State."

Now, the school district and the children in the school district do not get a penny in taxes when the Federal Government owns the property or when the State government owns it, or when the county government owns it.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman.

Mr. RHODES of Arizona. I share the gentleman's concern that unless the language of the bill is narrowed to take care of that situation, and that situation only, it will go too far. I ask the gentleman if he does not believe it is much too broad.

Mr. BARDEN. Let me say this, and I have said much more than I intended to say; when it was discussed back yonder when we were considering the bill, nobody showed up. Whether the Federal Government owns the land, or the municipal government, or the State government owns the land and the Federal Government carries on the operation, it is just as much an impact on that school district.

Mr. RHODES of Arizona. Is it not just as much impact whether the property is municipally owned or federally owned?

Mr. BARDEN. Certainly, but there is no justification in the case.

Mr. RHODES of Arizona. Does the gentleman not feel in all justice that if we are going to take care of airplanes for the Air Force, we ought to take care of tanks for the Army?

Mr. BARDEN. We will cross those bridges when we get to them. We are not dealing with those things in this bill.

I just wanted to say what I have said because I have been sitting here and had not said "yea" or "nay" about it, and it was a matter that impressed my mind as being the fair thing to do.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. PERKINS. The impact is exactly the same whether the State government, county government or the Federal Government owns the airport.

Mr. BARDEN. Exactly the same.

Mr. PERKINS. The equity is exactly the same. The only question involved here is whether we are going to exclude an operation of this type where the municipality owns the airport. It is contrary to the concept of this legislation.

Mr. BARDEN. Let me say that I do not have any of these operations in my

district. This operation is in Alabama. I have not any interest in the world in it except just plain fair play. It struck me that a fair interpretation of the situation which we were trying to solve would definitely make this operation eligible because the land is owned by the city. It is an airport and the operation is carried on in connection with the Air Force.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. UDALL].

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 68, noes 58.

So the amendment was agreed to.

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: On page 24, between lines 3 and 4, insert a new section:

"AREAS AFFECTED BY ACQUISITION OF FEDERAL PROPERTY

"SEC. 15. When the United States, after June 30, 1956, acquires real property which constituted a part of the tax resources for the payment of bonded indebtedness incurred for the construction of school facilities, the Commissioner, upon application containing such information as he may require, shall pay in a lump sum to each political subdivision affected an amount which bears the same ratio to the bonded indebtedness incurred for the construction of school facilities as the value of the real property so acquired bears to the value of all real property in the political subdivision which constituted a tax resource for the payment of such bonded indebtedness."

Renumber section 15 as section 16.

Mr. SISK. Mr. Chairman, the amendment of Public Law 815 proposed is of comparatively limited application but is of great importance and is urgently needed by school districts adversely affected by Federal Government land acquisitions. It is intended to correct a resulting inequity in Federal assistance for construction of schools required to house federally impacted children.

Public Law 815 was enacted in 1950. At the same time, the Federal Government embarked on the Wherry housing program in connection with military bases. About 85 percent of this housing is located on federally owned land. Only 15 percent is built on private land. Under Public Law 815, when children were housed on Federal property, school districts received about twice the Federal contribution for school construction they would have received if the children were housed on privately owned land. This was logical, because the privately owned land paid taxes to build the schools and the Federal land was tax-exempt. The total Federal contribution was determined during the 2-year period following construction of the school, and under the current law may not be increased thereafter.

During the past 2 years the Federal Government has been buying up Wherry housing from private owners. Where the land is privately owned this is taking the land and improvements off the local tax rolls and depriving the school districts of the tax revenue required to pay off bonds which were issued to build the

schools serving these children. The present law contains no provisions designed to correct this inequity and put the district in the position of school construction indebtedness it would have been in had the Federal Government owned the Wherry housing land when the school was built.

For example, on February 28 of this year the Air Force took over a tract in the district I represent. It was assessed at \$1,200,000 out of a total school district assessed valuation of \$10 million. Thus, the remaining 88 percent of the property will have to bear higher taxes to pay off bonds which were issued to build schools for about 500 children living in this Wherry housing. This is bad faith and an unjust burden on this struggling school district. Simply stated, the proposed amendment would require that, under such circumstances, the Federal Government assume a just and proper proportion of the outstanding bonded debt. It would permit the Federal Government to adjust the inequities resulting from the Federal acquisition of the land. I sincerely believe this is a good faith amendment, urgently needed to soften the harsh impact on local school districts of sometimes ruthless and arbitrary defense department operations. I urge unanimous approval.

Mr. WAINWRIGHT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the chairman of the House Labor Committee several hours ago objected to an amendment I offered on the ground that it had not been presented to our committee; that we did not know what was in it; that we did not know how much it would cost; that we had never had any chance to debate it in committee, either in the subcommittee or before the full committee. Consequently, on a technical and complicated piece of legislation such as this, this amendment should be defeated, and I believe we on the right side of the aisle feel that way.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I dislike very much to take a position in opposition to the gentleman from California [Mr. SISK]. I know his school district has been injured materially. But, I would like to call the attention of my colleagues to the fact that we are setting a pretty serious precedent here. The amendment offered by the gentleman from California only applies to the acquisition of property by the Federal Government subsequent to 1956. If it had included the program for the life of this legislation, it would have been quite serious.

His District was injured because the Federal Government came in and took over Wherry housing that had been listed as privately owned property and paying taxes. When the Federal Government took over the housing, they took away 12.5 percent of the valuation of the school district. That represented several thousand dollars in money lost to that district. But, if we open it up to take care of the situation the gentleman has, I am fearful we will open it up to any other district which has bond issues outstanding, where a similar situ-



ation occurred in some other school district. So I just want to call the attention of my colleagues to the fact that we might be setting a precedent here that might cost the Government more money than we realize. Outside of that I am in complete sympathy with trying to reimburse the district, if we can do it without setting a precedent that we do not know where it is going to lead us.

Mr. GWINN. Mr. Chairman, I rise in opposition to the amendment. We have no survey from any department of the Government that indicates where this legislation would lead us. We have no legal advice on the complications involved in the Federal Government's paying off bond issues already issued or part of a bond issue to be issued hereafter. It is certainly a good example of what not to do in amending legislation on the floor of the House. I think the amendment should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SISK].

The amendment was rejected.

Mr. WAINWRIGHT. Mr. Chairman, I move to strike out the last word.

I had every intention of introducing an amendment on page 33 between lines 2 and 3. The contemplated amendment is herewith submitted.

I have discussed this amendment with two distinguished gentlemen, Mr. Fred Shore from East Meadow, N. Y., and Mr. Leonard Main of Portsmouth, R. I. These gentlemen felt that the committee was causing a greater injustice on those school districts that have been receiving funds under Public Law 874, but which have now dropped below the 3-percent eligibility requirement. It would appear that this does not apply to the big cities as does the Metcalf amendment passed earlier today.

My suggested amendment would ease the burden on those school districts which drop below the 3-percent requirement. It would continue funds to those schools at a rate of 75 percent for the first year, 50 percent for the second year and 25 percent for the third year. This would allow a graduated phasing out to these school districts, rather than the abrupt cutoff.

My prior amendment was defeated on the grounds that it had not been presented to the committee. This amendment would be subject to the same criticism. However, I feel it should be in the RECORD, and that it should be presented when the bill is next considered.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs

relate to other children, and to make certain other changes in such laws pursuant to House Resolution 531, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. GWINN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GWINN. I am, sir.

The Clerk read as follows:

Mr. GWINN, of New York, moves that the bill, H. R. 11378, be recommitted to the Committee on Education and Labor.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on passage of the bill.

Mr. METCALF. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

#### GREATER WENATCHEE PROJECT, WASHINGTON

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1031) to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Washington, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman from Colorado kindly explain the bill?

Mr. ASPINALL. Yes, Mr. Speaker, I shall be glad to explain the bill if the gentleman from Massachusetts will yield to me for that purpose.

Mr. MARTIN. I gladly yield to the gentleman.

Mr. ASPINALL. Mr. Speaker, this legislation would authorize the construction of the Wenatchee project on the upper Columbia River. This is a good reclamation project with a 5 to 1 benefit cost ratio and it conforms to the reclamation law.

Mr. MARTIN. It passed the gentleman's committee unanimously?

Mr. ASPINALL. It came out of our committee without any opposition.

Mr. MARTIN. And there is a rule under which this bill could be taken up; is that not correct?

Mr. ASPINALL. The gentleman is correct. We are following this course in the interest of time.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. BROWN of Ohio. My understanding is that at the time the committee came before the Committee on Rules the actual net cost to the Federal Government was \$95,000?

Mr. ASPINALL. The gentleman is correct.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the Senate bill, as follows:

*Be it enacted, etc.,* That for the purpose of furnishing water for the irrigation of approximately 8,700 acres of land in Chelan and Douglas Counties, Wash., the Secretary of the Interior is authorized to construct, operate, and maintain the East, Moses Coulee, Brays Landing, and Howard Flat units of the Greater Wenatchee division, Chief Joseph Dam project, in accordance with the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto).

SEC. 2. Prior to initiating construction of any of the works authorized by section 1 of this act, there shall have been organized under the laws of the State of Washington an irrigation or reclamation district, satisfactory in form and powers to the Secretary, which embraces all of the lands within the East, Moses Coulee, Brays Landing, and Howard Flat units to which it is then proposed to furnish water, and the authority to construct works contained in section 1 shall not be exercised save with respect to lands which are then in, or thereafter come into, such district: *Provided*, That for a period of 10 years from the date of enactment of this act, no water from the project shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301 (b) (10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 3. The provisions of section 2 of the act of July 27, 1954 (68 Stat. 568, 569), shall be applicable to the Greater Wenatchee division of the Chief Joseph Dam project. The term "construction costs" used therein shall include any irrigation, operation, and maintenance costs during the development period which the Secretary finds it proper to fund because they are beyond the ability of the water users to pay during that period.

SEC. 4. There are hereby authorized to be appropriated such sums as may be required to carry out the purposes of this act.

With the following committee amendment:

Page 3, after line 7, strike out all of section 4 and insert:

SEC. 4. There is hereby authorized to be appropriated for construction of the works provided for in section 1 of this act the sum of \$10,280,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such sums as are necessary for operation and maintenance of said works.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes."

A motion to reconsider was laid on the table.

House Resolution 530 was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that I may extend my remarks and that all Members may extend their remarks at this point on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, the Greater Wenatchee division of the Chief Joseph project is located in the Columbia River Valley in the State of Washington. The division comprises 7 units which are completely separate land bodies scattered along 80 miles of the river downstream from the Chief Joseph Dam. Each unit requires an independent irrigation system. Four of these units would be authorized by the legislation before us today. These four units—the Howard Flat, Brays Landing, East and Moses Coulee—would provide for the irrigation of about 8,660 acres of land in Chelan and Douglas Counties, Wash., of which 7,220 acres would be new land and 1,440 acres are presently irrigated.

The plan of development for the greater Wenatchee division was submitted to the Congress on July 15, 1957. In submitting that report to the Congress, the Secretary of the Interior recommended authorization and construction of the four units included in this legislation. In reporting on the bill, the Secretary of the Interior reaffirmed his recommendation of these four units.

The plan of development was submitted to the State of Washington and to the Corps of Engineers for their review in accordance with the 1944 Flood Control Act. The State of Washington approved the four units and recommended their immediate authorization and construction. The Corps of Engineers commented favorably on the development and raised no objection to its authorization and construction. The plan of development was also reviewed by the other Federal agencies represented on the Interagency Committee on Water Resources and the comments of these agencies were favorable or offered no objection.

During the committee's consideration of the legislation, statements favoring enactment were received from Governor Rosellini of the State of Washington, from the Washington State Columbia Basin Commission, and others from the local area affected by the project. The project has unanimous support throughout the State of Washington and the committee received no testimony in opposition to it.

The studies and report on the Greater Wenatchee Division were prepared pursuant to the act of July 17, 1952. This act provides authority for the Secretary of the Interior to study and report to the

Congress on reclamation projects in the vicinity of the Chief Joseph power project and to recommend financial assistance in the reclamation of arid lands from Chief Joseph power revenues. This is the second project proposed pursuant to this legislation, the Foster Creek unit having been authorized and constructed several years ago.

These four units of the Greater Wenatchee Division are particularly needed at this time to replace some 2,000 acres of lands that will be lost through construction, in this stretch of the Columbia River, of the Rocky Reach Dam and the Wells Dam. Construction of these units would play the important role of replacing the lands being flooded out as well as valuable farmlands being lost to highway construction and suburban development in the area. Also, this proposed development would assist in stabilizing the economy of the project area.

Practically all of the lands in the four units are considered well suited for orchards and particularly apple production, and it is anticipated that with project development they will be used primarily for this purpose.

Under the proposed plan of development each of the four units would be irrigated by pumping from the Columbia River. Power for project pumping would be obtained from the Chief Joseph project through the interconnected Federal Columbia River power system. Because much of the land will go into orchards, a 10-year development period is recommended. The units are described briefly as follows:

The Howard Flat unit would provide for the development of 866 irrigable acres, none of which now receives water. A pumping plant on the Columbia River would raise water from the river to a regulating reservoir located some 660 feet above the river level. From the reservoir, water would be distributed to the irrigable lands through a system of open canals and low-pressure pipe for irrigation by the usual row or furrow methods of application.

The Brays Landing unit would develop 1,255 irrigable acres, of which 47 acres are presently irrigated by a privately owned pumping plant. Water would be lifted about 748 feet from the Columbia River to an equalizing reservoir and distributed through a system designed to deliver water at pressure sufficient for sprinkler operation. One relief pumping plant would be required to lift water an additional 100 feet to serve about 450 acres lying at the higher elevation.

The east unit would provide water for 4,490 acres of irrigable land, of which 980 acres are presently irrigated by works of the United Water Co. Under the proposed plan of development the United Water Co. system, which is in need of major rehabilitation, would be abandoned and service to these lands would be through new facilities contemplated in the potential development. Water would be pumped about 677 feet from the Columbia River to an equalizing reservoir and distributed to the irrigable lands through a system of buried steel pipelines at pressures adequate for sprinkler application. Two relief pumping

plants would be needed to reach lands lying above the main distribution system. The smaller relief plant would raise the water about 100 feet to serve approximately 300 irrigable acres, while the larger plant would lift water 80 feet to serve about 1,460 irrigable acres.

The Moses Coulee unit would develop an irrigable area of 2,050 acres, of which 413 acres are presently irrigated by an independently owned gravity system. Under the presently proposed plan, water would be lifted about 400 feet from the Columbia River and distributed to the lands through a system of open canals and low-pressure pipelines for irrigation by the usual rill or furrow methods of application. Two relief pumping plants would be required to reach higher lying lands. Reregulation reservoirs would also be provided in connection with the main pumping plant and the larger relief pumping plant. Although all of the units are relatively free of adverse drainage characteristics, the Moses Coulee works include facilities to remove drainage water which may accumulate in two small areas.

The total estimated cost of the four units is \$10,280,000, including about \$545,000 for operating costs during the development period before the orchards mature. Of this amount, \$10,185,000, or all but \$95,000, is allocated to irrigation and is reimbursable. The \$95,000 is for fish screens at the four pump intakes and is allocated to fish and wildlife and is nonreimbursable under existing law. Repayment studies indicate that the water users can pay operation, maintenance and power costs and, in addition, can repay in a 50-year period about \$5,980,000 or about 59 percent of the reimbursable capital cost. The remaining reimbursable cost amounting to \$4,205,000, considered to be beyond the repayment ability of the water users, would be financed from surplus power revenues of the Chief Joseph Dam powerplant. Net power revenues from the Chief Joseph project could repay this \$4,205,000 in nine months after the Chief Joseph project has been repaid with interest.

Economic studies of the project indicate that the four units are all excellent developments from an economic standpoint. Estimated benefits from the four units exceed the estimated costs by better than 5 to 1 if indirect benefits are included, and by about 1.7 to 1 if direct benefits only are included.

The committee amended the bill by limiting the amount authorized to be appropriated to \$10,280,000, plus or minus any amounts justified by changes in price levels. This amendment is in accordance with the committee's usual practice of placing a ceiling on expenditures in order to prevent major changes in plan and scope without further Congressional review.

In closing, let me say that the committee found these four units to be physically and economically feasible and a worthwhile addition to the presently authorized and constructed Federal irrigation projects in the Pacific Northwest, and the committee recommends that this legislation be enacted.



Mr. MAGNUSON. Mr. Speaker, the Greater Wenatchee project, authorized by S. 1031, is essential to the continued economic development of the great Inland Empire in Washington State. The area which would be served by this project is in the heart of our apple-producing belt. The apple industry, as many of you know, is Washington's leading export business and one of the leading industries in the State. This project is justified at this time not only because it would aid one of my State's most important industries, but the economic benefits which will accrue from it are far reaching.

#### WHAT IT WILL DO

Let us take a look, briefly, at what this project will do. The four irrigation units provided for in this bill will supply water for about 8,660 acres of land along the Columbia River. This additional land is needed by farmers who will be flooded out of their highly productive orchard land by the Rocky Reach and Azwell Dams.

The orchard which would be created by this project would be located about 400 to 750 feet above the level of the Columbia River. The Columbia would be a source of water ideal for irrigation use. The water would be pumped over the banks of the Columbia into the orchards. Power for these pumps would be obtained from the Federal power system at Chief Joseph Dam.

#### COMPLETION NEAR

The first stage of construction of the Rocky Reach hydroelectric project by the Chelan County Public Utility District is more than 90 percent complete. When finished, this power dam will flood out some 2,500 acres of valuable orchard land adjacent to the four Greater Wenatchee units authorized by this legislation.

The first power from Rocky Reach is scheduled to be generated in July of 1961. The fruit growers who will be required to find new locations in the Greater Wenatchee area must make decision on purchasing land in the project area in the very near future.

#### ECONOMICALLY SOUND

But aside from providing these farmers with a means of earning a livelihood this project would be a sound contribution to the economic development of the entire Inland Empire and the country as a whole. The four units provided for under this bill would cost \$10,280,000. Ninety-nine percent of this is reimbursable. The remaining portion is the cost of fish protection equipment.

Repayment studies indicate that water users can pay operation, maintenance and power costs and in addition repay about 59 percent of the reimbursable capital cost within 50 years. The remainder would be financed from surplus power revenues of the Chief Joseph powerplant.

#### COST RATIO FAVORABLE

Economic studies made by the Bureau of Reclamation show that the benefits to cost ratio of this project is a very sound 1.7 to 1. If you take indirect benefits into consideration, the ratio is 5 to 1. Now, there are not many invest-

ments around these days that would be as sound as that.

#### WIDESPREAD SUPPORT

Because this project has so much in its favor, it has received strong backing from many areas. The Department of the Interior, following a thorough study of this project, recommended legislation authorizing it. The project has been reviewed by the States of the Columbia River Basin, the Washington State Department of Conservation, the Columbia Basin Commission, the Wenatchee Chamber of Commerce, the Grange and other local community organizations. All endorse it as sound legislation which would enhance the development of this area.

I therefore urge immediate passage of this bill in order to help these growers get settled on new land as soon as possible.

Mr. HORAN. Mr. Speaker, S. 1031 is similar to companion measures introduced in the House by my colleague, the Honorable DON MAGNUSON and myself.

This bill provides for the so-called Greater Wenatchee division of the Chief Joseph Dam project. It is a good bill. It is based upon Public Law 577, passed July 17, 1952. At that time it was decided to authorize the Secretary of the Interior to develop by units some 75,000 acres of irrigable land in the vicinity of Chief Joseph Dam.

The first of these units was the Foster Creek Unit, surrounding Chief Joseph Dam. This is virtually completed at this time. Greater Wenatchee division will be the second division and the third is expected to be the so-called Upper Okanogan Division.

Greater Wenatchee division totals some 8,661 acres of which 1,440 acres are presently irrigated. The benefit-cost ratios are quite interesting: based on July, 1955 price levels, and using a 50-year period of analysis, the benefit-cost ratios are 5.39 to 1 for total irrigation benefits and 1.76 to 1 for direct irrigation benefits only. On the basis of a 100-year period of analysis, the benefit-cost ratio is 6.59 to 1, using the total irrigation benefits and 2.15 to 1 using direct benefits only.

Of course, increases in construction costs since July, 1955 might modify these ratios but they would still be favorable. This bill provides help in the repayment of the cost to the Federal Government from the sale of power to Chief Joseph Dam. Under the formula, those who settle on this land will pay some 59 percent of the total cost; the sale of power from Chief Joseph Dam will take care of the remainder. It is estimated that of the portion charged to power sales \$4,205,000 could be repaid in 9 months of Chief Joseph power operations after the Chief Joseph project has been repaid with interest.

It should be noted that this reclamation project will be dedicated almost exclusively to the production of fruits and other perishables. This project will not add to our presently cumbersome surplus commodities.

I wish at this time to thank the Honorable WAYNE ASPINALL, Democrat, Colorado, and his Subcommittee on Reclama-

tion for their handling of this measure. I also want to thank the chairman of the Interior and Insular Affairs Committee, the Honorable CLAIR ENGLE, Democrat, California, and the ranking Republican member of that committee, the Honorable A. L. MILLER, Republican, Nebraska, together with other members of the entire committee for their consideration in getting this measure passed by the House.

#### LONG-TERM AID FOR SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. EVINS] may extend his remarks at this point and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EVINS. Mr. Speaker, one of the great problems facing our Nation is that of preserving the competitive position of small business and thereby preserving our traditional pattern of free enterprise and equality of business opportunity. That the Congress is aware of the importance of this problem and the need for taking action is clearly demonstrated by the great number of bills that have been introduced by members from both sides of the aisle to deal with various aspects of the problem. There is wide agreement that the most effective immediate assistance that can be given to small business is through the modification of the tax structure to equalize the tax burden and the ability of small business to expand. It is my hope that in this session we shall be able to legislate along this line and thus to lay a foundation for improving the climate of opportunity in the future.

Tax modification will help but another aid is also needed. The great need of small business is for long term credit and equity capital to finance the expansion of small business and to enable it to compete on more equal terms with big business which has much more effective access to sources of credit and capital. The House Select Committee on Small Business has been giving deep study to this problem for some time. Starting last October it has held a series of hearings in this area and during these hearings it has heard testimony from the Secretary of the Treasury, the Small Business Administration, prominent financial authorities and experts and most recently from the governors of the Federal Reserve Board. These last hearings have been in executive session and are not yet completed, but I can report that without exception those who have testified, and that includes the governors of the Federal Reserve Board, have agreed on the need for some agency to provide long term financial assistance to small business, although, as might be expected, there were differences as to details. The report of these hearings by the House Small Business Committee will be made available as soon as they are completed but as an example of the attitude of responsible financial experts I call attention to the brief review of the testimony

of Chairman William McChesney Martin, of the Federal Reserve Board, before another committee reported in yesterday's Washington Post, and I quote:

**LONG-TERM AID URGED FOR SMALL BUSINESS**

Chairman William McChesney Martin, Jr., of the Federal Reserve Board called on the Government yesterday to help set up new private lending facilities to meet the long-term credit needs of small business.

He said special tax treatment also might be needed to step up the flow of capital to small business.

Martin said his proposed lending program would be a "new frontier" for Federal aid. But he added that financing needs of some small businesses with a promising growth potential were not being met.

He told a Senate banking subcommittee there was room for a Government program to help fill the gap.

Martin generally approved a proposed bill which would permit the Government to contribute by loans or capital stock purchase up to \$250 million to newly created small business investment companies. A Small Business Investment Administration would administer the program.

**MRS. GLADYS MONTGOMERY**

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include certain material.

**THE SPEAKER.** Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, Mrs. Gladys Montgomery, president of the Women's National Press Club, Washington, D. C., addressed the DAR international convention a few days ago. We in Massachusetts are extremely proud of Mrs. Montgomery as a newspaper woman. We of the DAR are very proud of her as a fellow member.

We are extremely proud and interested that Mrs. Montgomery has specialized in science and new horizons. Her contribution is extremely valuable in the education of our youth and in the education of the entire country.

I include as a part of my remarks the following introduction of Mrs. Montgomery by Mrs. Thomas Burchett, and also the address of Mrs. Montgomery before the 67th Continental Congress, National Society DAR, as follows:

**INTRODUCTION OF MRS. GLADYS MONTGOMERY**  
(By Mrs. Thomas Burchett)

Now and then there comes to us such a happy combination of circumstances that we perceive more than ordinary good fortune at work. This is such an occasion. I have long had the dream of introducing from this stage a very distinguished woman journalist and today I have that happy privilege. Mrs. Montgomery, such a journalist, is one of our own members. She is a member of Judge Lynn Chapter in Washington, D. C., and the president of the Women's National Press Club, which includes in its membership the Nation's most distinguished newspaperwomen.

As president of the Women's National Press Club, Mrs. Montgomery was one of the two hostesses at the press reception for Queen Elizabeth and Prince Philip when they visited the United States last October.

She was the first woman correspondent in Washington for an electronics magazine and

is an experienced writer in the field of science.

Mrs. Montgomery comes from a DAR family. Her mother and her two sisters are also members of the Daughters of the American Revolution and her young niece is president of the Thaddeus Burr Chapter, Children of the American Revolution.

Therefore, we welcome our speaker this morning both as a member of the Daughters of the American Revolution from Wellesley, Mass., and as a distinguished newspaperwoman. It is my pleasure to present Mrs. Montgomery.

**SCIENCE AND NEW HORIZONS**

(Address by Gladys T. Montgomery, president Women's National Press Club, Washington, D. C., at 67th Continental Congress, National Society DAR)

Madam President General, distinguished guests, officers, and fellow members of the National Society of the Daughters of the American Revolution, I am honored to have this invitation to speak at the 67th Continental Congress of the Daughters of the American Revolution. I understand that your very able chairman of press, Mrs. Burchett, has wanted for some time to include a press representative on the program, emphasizing a desire for a closer link between the DAR and the fourth estate. I hope that many of my press colleagues in the years ahead may have the same opportunity which I am enjoying today.

My writing is largely in the field of science and technology, which may seem strange for a woman. I have been asked to confess how I happened—of all things—to start reporting news developments in electronics. The answer is simple—no one in my office wanted the assignment, and so, as the only woman reporter there, it became mine. This was more than 15 years ago, before World War II, when such scientific stories were certainly not making front-page headlines. When, in due time, my name appeared on the masthead of McGraw-Hill Electronics magazine as its Washington correspondent, I, proudly, could hardly wait to send a copy of it to my mother. This was her comment: "With all the wartime jobs available in Washington, it seems to me that you could have found something better to do." I feel certain her comment would be quite different today. The story serves to indicate the change in public interest in this highly technical news. Now, electronics is on the front page. It has countless commercial applications and it is vital to our weapons systems.

Within this short span of years, atomic energy developments, the hydrogen bomb, ballistic weapons, and now the satellites all have had their part in ushering in a new age and the beginning of a new way of life for all of us.

Today, scientists are reaching beyond the physical limitations of this earth, and heaven knows where they may go. Certainly, research in outer space is giving man a strange new power which can be used for utter destruction or for the benefit of mankind.

Who knows whether we'll get a rocket to the moon this year? When one of our people takes the 240,000-mile trip there, will he find a Russian or two already at home in the new location, as Dr. Edward Teller, father of our hydrogen bomb, warns can happen? Who knows whether those who claim there will be colonization of the moon within a decade or two are correct. I notice that a Boston architect already has designed the first moon apartment structure to cope with the lack of oxygen there. There is a theory that space travel can retard the aging process of humans—and that surely would not be hard to take. Perhaps more imminent, we do not know how soon satel-

lites may be equipped with electronic and optical eyes, capable of watching in some detail, earth's military installations, ship-building, and industrial plants. Or how soon, if ever, weather can be controlled to the advantage or disadvantage of a country. Recently, Senator STYLE BRIDGES, of New Hampshire, member of the Senate committee on space problems, pointed out that the nation which first discovers the way to influence weather will have within its hands a powerful weapon for war, or for peace. Now, 63 countries are researching the upper atmosphere for basic information of value to mankind.

But, says Dr. Killian, special assistant to President Eisenhower for science and technology, if space is to be used for military purposes, we must watch out that it does not endanger our national security and we must be prepared to use space to defend ourselves. This talk about outer space is far from a daydream. The President, as you know, is requesting from Congress a \$203 million budget for a new National Astronautics and Space Agency for fiscal year 1959, the amount to be increased to \$406 million by 1962. Both the Senate and the House have space committees at work. Ballistic weapons, each one more devastating and more costly than its predecessor, are in research and development stages here and in Russia, as well.

Leaving this to the military and to the scientists, we all can have a part in helping to increase our strength within our country. It is the very foundation plank of the DAR to keep America strong. Our great patriotic organization always will play a part in national defense. I am sure that this 67th Congress is adopting resolutions and planning programs aimed at the urgency of the times.

As for reporters, we are assigned to report, not to plan. But, I believe that we can and we should cooperate even more closely with organizations, such as this one, in placing the key programs before the public in the most constructive light, be it for newspapers, magazines, radio, or television. When an organization takes a definite position of leadership, details of a program, as well as, sometimes, the program itself, may come up for what may be regarded as unfair criticism. That is the price an organization pays for taking a positive leadership in a country where we have freedom of the press. However, it is the overall objective that counts. In this case, keeping America strong is the aim of both the press and the DAR.

Recently I sat next to a consultant for the Defense Department on a certain research project. When I mentioned that I was speaking to this group, he said he thought of the organization as symbolic of a great oak tree with strong roots, going deep into the earth and nourishing its branches. I like that concept because I believe the DAR, dedicated to preserving the freedoms for which our forefathers fought so courageously, has an even greater work ahead and a greater responsibility in helping to hold on to our freedom.

I take pleasure in recalling the emphasis the DAR has placed and is placing, on improving our public schools, and in supporting two DAR schools and 11 approved schools. One of the resolutions adopted at the 66th Continental Congress recognized the scarcity of trained scientists, engineers, and skilled technical assistants in many fields. As you remember, you urged education in the Nation's schools and colleges be strengthened by the State and local committees, and that emphasis be placed on history, English, mathematics, science, and languages.

It is generally agreed that we must do some overhauling and revitalizing of our educational system. The sputnik, which came as the result of an intensive Soviet educational campaign emphasizing science,



served to sharpen everyone's awareness of the vital importance of education to our national defense.

We have been taking note of the Soviet educational system which made such a scientific achievement possible. It was surprising to learn that the Soviets are graduating each year more than twice as many scientists and engineers as we are. These thoroughly trained scientific and technical men are directed by the state to whatever military projects are regarded as most important. They have come through years of intensive training. Scientific courses began in the elementary grades.

The Soviet Union is making the teaching profession one of the most desirable, both in salary and in status. For example, a professor receives about three times the salary that he gets in this country. In addition, he receives extra compensation for work outside his regular university duties, such as serving on government or industry committees, which can more than double his basic salary. He has free medical care for himself and his family, and various other incentives.

I am not for a minute going to advocate or to analyze the Russian system of education. We have entirely different standards. But, I do say that the higher salaries paid to professors and the high esteem in which they are held, indicate the great importance that is being placed on education in the Soviet Union. The first Parliament of Science held recently in Washington had this to say, "We must compensate teachers at levels which reflect the degree to which the destiny of the Nation depends on teaching of the highest quality."

Too many young people are avoiding the teaching profession and too many professors and teachers leave the profession because of poor pay. I am reminded of a classmate of mine who made a name for herself in one of our great atomic energy Government laboratories, but had always wanted to return to teaching. When she was asked to head the physics department of her college, she accepted. After 2 years, looking toward the future, she realized she could not afford to continue on college salary, so she returned to the laboratory, and the college lost a top scientist-professor.

There has been much talk about crash programs to produce more scientists quickly for military research projects. While scientists seem to believe that science should be supported on an expanded scale, they do not want other important subjects neglected in the overall planning. They say that the real test of scientific achievements in this country and in the Soviet Union will come later. How we meet it will be determined in large part by our youth today. More scientists, they point out, will come from emphasis on the best courses, teachers and incentives, starting in the elementary grades. "Remember," says Dr. Teller, "now is the time to hurry."

In maintaining a strong America, we are cognizant of the rapid spread of Communism throughout the world, which is now said to control nations totalling nearly a billion people. In J. Edgar Hoover's remarkable book entitled "Masters of Deceit," he states that Communists are confident that our grandchildren will be living under their form of government in this country. Gen. Nathan Twining, Chairman of the Joint Chiefs of Staff, and others in authority see no indication that international communism has modified its goal of world domination. One cannot deny that the Soviet Union is forging ahead too fast for our peace of mind.

The new horizons which science is revealing, thrilling as they may be, are fraught with great dangers. We realize, more than ever, the need not only to guard our indi-

vidual Liberties and American Freedoms, but especially the great spiritual values on which our country was founded and on which it has prospered. I'll leave this little story with you which Donovan Richards, chief editorial writer of the Christian Science Monitor tells of the child of six who concluded her bedtime prayer this way "God, please take care of Mummy and Daddy and my little brother. And be sure, God, to take care of yourself because if you don't, we're all sunk."

#### THE ARAB STUDENTS: PROPAGANDISTS OR SCHOLARS?

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, an important means by which the nations of the world are promoting greater international understanding and cooperation is through the various student exchange programs. Particularly since the end of the war, many foreign students have come to this country to study, to learn our way of life, and to impart to us something of their ideas and thinking.

These scholars have been admitted to the United States for the sole and simple purpose of studying here. Unfortunately, there is telling evidence that this privilege is being abused by students from the Arab nations. Rather than following the spirit of the law, they have engaged in barefaced, hostile propaganda activities, financed by their governments. It is incumbent upon the Justice Department to make a determination of the status of these students based on a number of disturbing facts concerning their activities in this country which have come to my attention. If, as the evidence indicates to me, these people are propagandists, they should be clearly labeled as such.

Now, everyone in the United States has a right to express his views, be they on politics, religion, or the comparative merits of the Dodgers or Yankees. This freedom of expression extends 100 percent to visitors as well as citizens. But when there is an organized attempt to influence public opinion in this country, directed and financed by governments of other nations, it becomes an entirely different matter. Such people become, in fact, as well as in spirit, agents of a foreign power.

On the basis of the facts which have been laid before me, there are unmistakable indications that many of the Arab students currently in this country fall into this category. They are—and should be registered—as foreign agents under our laws.

The laws of the United States outline clearly the requirements for registration as foreign agents and propagandists. Generally speaking, there must be established some kind of an agency relationship. This would include evidence of direct financial support from a foreign government. There is clear evidence of such subsidies from the Arab League to their students in this country.

However, our laws provide for exemptions if the person involved is engaged in cultural or academic work. While the Arab students here do fall into this category, that virtue is wiped out by the fact that they are engaged in direct political activities. This employment of political propaganda negates their exemption from the foreign propagandists registration section of our laws.

The Arab League works through two main channels in organizing student activities in this country. The first is the Arab Information Center in New York City. The evidence indicates this is a straight propaganda mill for the Arab League, engaged in inculcating students in the Cairo line and supplying them with loaded material.

The second conduit for the Arab League is the Organization of Arab Students, which has chapters on some 30 college and university campuses. Although this group does engage in some proper educational and cultural work, a great deal of its time and effort is devoted to dissemination of unvarnished political propaganda. It has thus become a propaganda tool of the Arab bloc.

The result of the combined efforts of the information center and the Organization of Arab Students is that the Arab nations have established a coast-to-coast propaganda network in this country. It provides Nasser and his cohorts with a subtle, yet widespread forum in which to wage political combat against the United States and its allies.

Many instances have come to light which illustrate the many student activities in the Arab cause. The OAS Newsletter—main mouthpiece of the organization—in November 1956 reported a number of steps urged at an emergency conference held following the outbreak of hostilities in Egypt. Led by a number of leading Arab diplomats, the students passed resolutions denouncing our allies and urging the withdrawal of Iraq from the Baghdad Pact.

At the same time, Arab students engaged in a vigorous campaign of picketing in front of the British and French embassies and later the United Nations itself.

Throughout the country these students have engaged in coordinated and concerted efforts to mobilize opinion behind the Arab cause. There has also been a constant drumfire of anti-Jewish propaganda. Petitions have been circulated. Newspaper advertisements have been purchased. Student information centers have been opened and political pamphlets circulated. The tenor of all activities has been strongly pro-Arab and anti-Israel, and often anti-American.

The dangerous thing about these actions, however, is the fact that they are not simply the natural outpourings of enthusiastic youth defending their nation's cause in the free forum of democracy. No one doubts their right—even duty—to do this. The opportunity for them to present their side of the story is a vital part of the student exchange program.

Naturally, when these students speak at service clubs or public forums, it is

to be expected they will plead their country's cause. Our own students do the same when abroad. In the case of the Arab students, however, their work is being directly financed by the Arab governments, and their mission is largely that of parroting the line of the Arab League.

The director of the Arab Information Center in New York City is alleged to have sent letters to Arab students around the country urging them to propagandize the Arab cause and gather information on Zionist activities for Arab use. His own words testify to the financial strings tying the Arab League to the OAS.

The director is quoted as having said in addressing the fourth annual OAS convention in 1955:

I have reported to the Arab League your activities, and the services you can render to your nation, and recommended a special appropriation in our budget to be allocated to your organization. I am glad to announce that my request was accorded.

And the president of the OAS reported to the same convention as follows:

During the year we were able to put our finances in order. The establishment of the Arab States delegation and the generous help of (the director of the Arab information center) was of great benefit to us. The Arab League cultural department studied the different projects of the OAS with a view to advancing further help to us.

The Arab embassies continued their support. I wish to express our gratitude to the Governments of Saudi Arabia, Iraq, Jordan, and Egypt. I hope that our governments will continue to support our enterprise and to commit themselves in advance to the amount and time they are going to give their donation in order to make it possible for us to plan beforehand our different activities.

Mr. Speaker, these and other facts lead to the inevitable conclusion that the OAS is financed in large part by the Arab States and is engaged in professional political activities. Distribution of official Arab propaganda, picketing, and circulation of petitions in an effort to put across the Arab story may be in itself somewhat suspect. But if these and other activities are in reality directed and financially supported by foreign governments, it would seem to be a clear violation of the student exchange program. The evidence points clearly to this conclusion.

I understand the Justice Department has this problem now under consideration. It is my opinion that the facts unmistakably indicate they should require the OAS be registered as an organ of a foreign government, and that its members be labeled as foreign propagandists. Such a label need not attach any stigma to most people, although the severity of some of the anti-Jewish and anti-American attacks by the Arab students might inescapably result in some measure of opprobrium sticking to them. But the step should be taken, in fairness to all concerned.

I want to reiterate my firm conviction that the presence of students from abroad in this country is a sound and important thing. Over the years we have gained many, many friends through these exchange programs. Nor am I suggesting these students be prevented from expressing their own con-

victions. To do so would be to defeat a major purpose of the student exchanges—that of getting to know these young men and women and through them, their countries. Placing student expression in some sort of a governmental straitjacket is the furthest thing from my mind.

Stimulation of ideas comes through an exchange of views. We must encourage that. To make official or approved thought a prerequisite for public speech by anyone is totalitarian and alien to our way of life.

Mr. Speaker, we Americans believe deeply in free speech. We believe in the right to say what we believe as often as we like wherever we like. It is only when such utterances endanger the public welfare or are the product of an organized pressure group that questions arise. We require disclosure when political statements are made by our own people. Advertisements in the press or on radio or television must be identified with their sponsor.

It should be the same way with the Arab students in our midst. We are asking no more than that they acknowledge their sponsor, director, and financial supporters, when we require public notice of foreign direction and foreign financing of their activities.

The Justice Department should require the Arab students to register as foreign agents. The fact that they get their political line and directives from the Arab League seems plain. The fact they are financially subsidized by the Arab nations has been demonstrated. And further, their abuse of our hospitality by vicious attacks on our foreign policy and our friends merits the foreign agent appellation.

It is time the Arab students put up or shut up. Either they should cease and desist from their hostile propaganda activities and break off their financial ties with the Arab League, or else they should openly and speedily acknowledge themselves as agents of foreign powers. The taxpayers of America should no longer be forced to shell out for sub rosa agents of foreign governments who enter this country under the guise of academic endeavors. We welcome them as ambassadors and students. But if they come as propagandists, they should be so labeled.

I hope a speedy determination of their status will be made by the Justice Department. The whole student exchange movement will be the stronger for it.

#### ESTABLISHMENT OF AN INTERNATIONAL COURT OF HABEAS CORPUS

Mr. BEAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BEAMER. Mr. Speaker, I have today introduced in the House a concurrent resolution under which the United States Government would assume

the leadership in establishing an International Court of Habeas Corpus to extend legal protection under due processes of law to the life and liberty of individual persons everywhere.

My resolution proposes that our Government cooperate in the work of the Commission on International Habeas Corpus, a not-for-profit organization established under Illinois law by the Honorable Luis Kutner, author of the concept of world habeas corpus and who is a practicing attorney in Chicago.

My resolution does not impair the sovereignty of the United States or of any other nation in the world. Rather, it proposes that we and all nations proceed through respective civilized and recognized constitutional processes in an effective manner which would extend the principles of due process of law to all individuals everywhere. I suggest that all nations proceed to hold a world convention to draft a world treaty-statute which would establish an international court of habeas corpus with competent authority to issue its international writ of habeas corpus to any nation sufficiently determined to be detaining an individual in violation of specific principles of due process of law.

This international writ of habeas corpus would become effective when ratified by two-thirds of the convention nations in convention attendance.

I believe that our proceeding toward establishing this international court of habeas corpus would provide hope and confidence as to the securities of individual liberty throughout the world. World habeas corpus would, in the long run, enlist more hundreds of millions of persons in support of the principles of individual freedom than any amount of financial aid that might ever be granted to them by our Nation.

I believe that the concurrent resolution gives additional force to the President's proclamation designating May 1 as Law Day.

As a Member of Congress for many years, I believe that world habeas corpus will strengthen the forces of peace and guarantee individuals throughout the world with the personal peace of personal liberty. It will erect a worldwide barrier against the knock on the door at 3 a. m.

I believe that it is an effective repudiation to the mutilated and misleading Communist propaganda. It will test Communist sincerity in their protestations of a desire to coexist. I believe that the resolution will strengthen the position of our own officials at any summit or near-summit conferences that may be held.

The resolution would implement and strengthen the solemn pledges of the Charter of the United Nations, and the principles of the Universal Declaration of Human Rights. Those nations which are reluctant to accept the principle of world habeas corpus would, perforce, declare their own lawlessness before the world.

This principle is not a new one. Many precedents exist for extending international law to the protection of individual rights. Six years ago, when the Associated Press reporter William N.



Oatis was imprisoned illegally by Czechoslovakia, Mr. Kutner cooperated with me in my fight to free Oatis and filed a petition for a U. N. writ of habeas corpus before the Human Rights Commission. It was a debatable legal question whether the petition could be entertained by that body. Tremendous pressures arose for its consideration, but before action was taken Mr. Oatis made coerced admissions and was released. I believe that the Kutner petition was greatly instrumental in assisting me in speeding Oatis' release.

It seems to me that world habeas corpus is a logical next step for the United States to take in asking the nations of the world to join in considering a world treaty-statute to make realistic and effective those international pledges of individual rights under international law which would strengthen the forces of peace and security.

World habeas corpus is dedicated to the proposition that it is a matter of world concern—to insure the peace, the security, and the integrity of every human being—that no person shall be deprived of his liberty without due process of law. It is maintained that a competent world legal order can be achieved by a world treaty statute without the impairment of state political sovereignty. With patience, vision, fortitude, and faith in the manifest destiny of individuals, it is but a short step to bridge the moat from political and military tyranny to the tribunal where all individuals are equally and fairly treated, where equal justice under law will effectively prevent the substitution of power for principle, where vanquished and victor, ruler and subject, shall be required to acknowledge and respect the impartial legal standards of due process forms of justice.

World habeas corpus rests on the premise and the United Nations Charter obligations have been solemnly constitutionally ratified and voluntarily assumed by every signatory as being permanently wise and universally acceptable. These nations, have by common consent, agreed that the Charter is not a collection of loosely given political promises subject to broad interpretations, or a list of pleasing platitudes to be set lightly aside when expediency requires it. The Charter is the formal foundation of the international system of law and justice.

World habeas corpus can be the sword and shield of freedom and liberty that implies freedom of thought, freedom from orthodox dogma, "the right of others to think differently from one's self, safeguarding a free mind that is open to new ideas and giving attentive consideration to the liberty of the individual to think his own thoughts and live his own life as he desires to think and live"—Profiles of Courage, JOHN F. KENNEDY, quoting Robert A. Taft, page 190, Harper & Bros.

#### ISRAEL—YESTERDAY, TODAY, AND TOMORROW

The SPEAKER. Under previous order of the House, the gentleman from New

York [Mr. CELLER] is recognized for 60 minutes.

#### GENERAL LEAVE TO EXTEND

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the subject matter of my discourse.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, as the first child of international accord, Israel on this 10th anniversary of her independence has won for herself the recognition we give her this day. There are those who said there would never be a State of Israel, and they were wrong. There are those who said that Israel, living in the sea of hostility with no natural resources, with arid land and an impoverished people, could not exist. And they were wrong. There are those who say today that the State of Israel—and for the same reasons—cannot continue to exist. And they are wrong. For these are people of small faith and little vision.

We, the people of the largest democracy in the world, have every reason to rejoice in the existence and in the growth of this nation, the smallest of democracies. The extension of democracy into an area once removed from the swelling streams of Western ideology, is indeed matter for rejoicing. We know that no fence can ever be built around an idea. That idea, seeded by Israel in the Middle East, the idea of the dignity of man, the preciousness of life, the worth of the individual, the idea of government by law, summed up in what we call democracy, will bring ultimately a rebirth of that whole region where the true enemies of the Arab people—disease, poverty, and illiteracy—will be recognized as such, and where hatred will yield to constructive cooperation. Small, sorely beset nations like Burma, Ghana, and Liberia, are already looking to Israel as a model for their own internal development. Israel, with her face turned toward Western Civilization, is an irritant to the Soviet Union. The reason is an important one. Not only, as the Kremlin has conceived it, can the hostility for Israel of the Arab nations be used as a blow against the West, but beyond that, the intriguing and truly remarkable achievements of a free, democratic country as is Israel are a blow against Soviet Union propaganda, the kind of propaganda that insists that free men cannot thrive and prosper.

That so small a nation as Israel can give the lie to Communist propaganda is a fact not to be overlooked by the Western democracies.

In the 10 years of Israel's existence the dead soil has sprung to life; agriculture and industry have grown at an unprecedented rate; and 1½ million people from some 79 different and differing countries have been absorbed, people in the main who came without goods, without learning, without skills. Cities have sprung up; schools, libraries, concert halls, museums have been encouraged. Experimentation goes forward at amazing speed. It will not be long before

Israel, deprived of fuel, will get her energy both from nuclear mechanism and from the sun. Intricate systems of irrigation have been installed and water scientifically directed.

Israel's fever, born out of achievement, is contagious to all those who step upon that little land. There you can see the process of diverse cultures meeting and being molded into one.

The people of Israel wrestle not only with the soil, not only with the dearth of natural resources, not only with the complexities of mass immigration, but must, at the same time, struggle against the open hostilities of surrounding Arab countries who have vowed her destruction. Energies which could be turned to the benefit of all peoples of the Middle East must be turned to the overriding problem of defense. We ourselves have an understanding of what that means in our own country, strong as ours is.

We must ever be mindful of the dangers that beset Israel. Caught between two Arab federations—Egypt, Syria, and Yemen on one hand and Iraq and Jordan on the other—she is like a nut in a nutcracker. Economic resources which should be utilized for internal development must be diverted to a defense which strains every inch of Israel's capacity around the clock. The Kremlin has sent submarines and jet planes to Egypt, which understandably heightens the tensions and fears of Israel.

I came upon a most enlightening article in one of the leading French newspapers, *Le Figaro*, on March 5, 1958, by the distinguished diplomatic correspondent, Remy Roure, under the title "Heil, Nasser" I have taken the liberty of having it translated:

HEIL NASSER

(By Remy Roure)

The United Nations has in its files a dossier which places Colonel Nasser, the Egyptian dictator, in a very diabolical position with regard to that organization. Let us reassure you though, there will be nothing like that. The eyes of the United Nations Assembly are trained elsewhere, i. e., rather, upon France against which, with some rare exceptions, the accusations of the "conscience of the world" have been directed.

Nobody is, however, unaware of the fact that the president of the United Arab Republic has for a long time been surrounding himself with a large number of German Nazis, who have taken over, especially, the National Security Service directed by Col. A. Nacher, former SS Chief Leopold Gleim, head of the sinister Hitler SD ("Sicherheitsdienst"—Security Service) in Poland. In addition, this former Nazi dignitary is on very good terms with the East-German Association for German-Arab Brotherhood which recently gave a dinner for him at Cairo's Victoria Hall.

Both totalitarianisms, Nazi and Communist, are thus working together in protecting Egypt "against the hostile elements of the Zionist and imperialist camps." Colonel Gleim himself stated, furthermore, the security policy which the SSC (State Security Service) intended to pursue.

The SSC, installed on Liberty Square in Cairo, is in the hands of 6,249 "Arabized" Nazis who are now in Egypt. Its first achievement was the publication of an abridged and illustrated translation (with pictures of Hitler, from corporal to Fuehrer) of *Mein Kampf* of which Egyptian edition, entitled "Kifah", about 1 million copies

were sold. The complete text of the Hitler bible was translated in 1951, after which the SSC, fittingly, took up the Jewish question and even used the Hitler phrase: "First phase, final solution."

The French, British, and stateless Jews had been deported by Nasser within a period of from 9 to 72 hours, and their property was confiscated. But the Egyptian Jews—there were 27,000 left—were not permitted to leave the country, almost certainly falling prey to the whims of the SSC, and, specifically, of the secret police directed by Lt. Col. Hamid Sulleiman, formerly known as Heinrich Sellmann, SA officer and former Gestapo leader for the Ulm (Germany) district. An economics department—for nothing is left out—takes care of Jewish property, as in the days of Hitler in Germany, France, Poland, and elsewhere. The Nazi-led Egyptian secret police take care of the Jews. The previous identification cards have been seized and replaced by "yellow" cards. Curfew is imposed and certain hours have been fixed for making purchases. Arrests are made without warrants and failing conditions are frightful. Most of the interrogations take place in the "floating hell," an old 12,000-ton freighter converted into an 80-cell prison. Two brutes, Serge Klinikin of Odessa, and Alexis Morganoff of Moscow, are in charge of this inferno. Jewish professors and Jewish members of the free professions in Alexandria have no right to exercise their respective professions. In Cairo, only 11 out of 22,000 Jews have the right to exercise their professions, and all Jewish schools are closed.

Thus this new Hitler stands condemned as a brute and despot.

This article indicates how the Nazis have gone into Egypt and taken possession of most of the departments of Egypt and have nazified, as it were, Mr. Nasser and his cohorts.

The significance of this article should not be permitted to escape anyone's attention. The administration, the United Nations must take heed. It emphasizes the danger Israel faces in Egypt.

The hand of friendship of the people of the United States is held out to the people of Israel. The first decade of Israel's independence has, as I have tried to point out, more than just commemorative meaning for us. In a sense, Israel is an extension of the spirit of good will, friendship, peace, and struggle that must, in the end, prevail the world over, lest we mark "finis" to civilization.

Let me emphasize again that that which is central to the United States is central to Israel as well. The shared abhorrence of totalitarianism in all its forms is a strong and sacred bond between our country and Israel. There is no comparing the two in area, in wealth, in resources; but there is a parallel made up of connecting lines—the pioneering spirit; the struggle for independence; the amalgam of diverse nationalities; the values of Western Civilization; the government of law, not of men.

We in the United States must know that the viable democracy of Israel in the Middle East serves both as a bulwark and a symbol against Communist expansion in this gateway to three countries. The Free World needs must rejoice that its values and its concepts have taken root in an area once far removed from our consciousness. We have not sufficiently emphasized the importance to the Free World of the growth in democracy in that part of the world. The

example of Israel's democracy, the advantages which it has given to her people, have been, I believe, insufficiently emphasized vis-a-vis Communist boasting. What Israel has accomplished in 10 years in a free society can be most effectively used in counteracting the hollowness of Communist propaganda.

Surely, in supporting the democratic State of Israel, the Free World will find one of the most effective avenues for peace and against aggressive communism.

Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. DOLLINGER] such time as he may care to use.

Mr. DOLLINGER. Mr. Speaker, I want to associate myself with the fine remarks of the gentleman from New York [Mr. CELLER].

Mr. Speaker, I am happy to salute Israel on its 10th anniversary, and to send greetings and all good wishes to her brave, self-sacrificing citizens. The fact that Israel has reached this milestone is in itself a miracle, for the people of Israel have not had the joy of even one happy moment of freedom. Israel has been beset by her enemies and threatened with extinction from the first day of her statehood.

Despite the fact that Israel's resources had to be dissipated to permit her to maintain full military strength because of war clouds forever on her horizon, her achievements have been tremendous.

The new State of Israel performed the herculean task of receiving, rehabilitating and resettling more than 900,000 immigrants. Her determination to irrigate barren and eroded soils and reclaim desert lands is paying dividends, for she now produces about 70 percent of her own food. She has transformed an essentially agrarian community into the most intensively industrialized economy in the Middle East. She is rapidly developing new industries, her oil resources; housing construction is a major program, her road system is ever expanding and transportation needs are being met by modernization of her railroads and increased facilities. Health conditions in Israel are excellent; hospital facilities have almost doubled in the last 10 years, and the general welfare of the people is of primary concern.

Israel has achieved international recognition in the world of science; and research projects being conducted there, benefit all people. Her cultural life is of great importance and talents of the people in the fields of literature, the theater, music, are nurtured and encouraged. It is almost inconceivable that the people of Israel could accomplish so much in so short a time; apparently all the obstacles placed in her path only spurred her to greater effort, and her people were blessed with increased strength and courage.

Israel's economic problems have been complicated by the adamant refusal of her neighbors to agree to peace, and necessary military expenditures are a continuing threat to her economy. While the United States has given Israel economic aid, we have refused her military assistance such as we have extended

to her neighbors who are her enemies. Until her enemies are ready to admit that Israel is here to stay, and her territorial integrity is insured, there can be no peace and Israel's economic problems will continue to be acute.

The friendship of the American people has been of major importance and assistance to Israel. It behooves us to continue to help Israel—the only bulwark of democracy in the Middle East. Our interest in maintaining peace in the Middle East is as vital as that of Israel, for this is our only hope of counteracting and preventing further Communist gains in Africa and Asia.

The people of Israel have our sympathy, admiration, affection, and high regard. We must not desert Israel in these perilous days. We must continue to give her the cooperation and help she needs for survival, for it is not unlikely that her downfall could mean the beginning of our own.

We must work and pray for the day when the people of Israel can truly enjoy their new nation, free from overwhelming threats of death and destruction.

Mr. COUDERT. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. COUDERT. Mr. Speaker, this year is Israel's 10th anniversary. I am happy to have this opportunity to congratulate this young nation and to wish it well for the future.

Because of the important role played by the United States in the establishment of Israel, I am sure that most Americans will look with pride upon its many accomplishments during the past decade, and with sympathy and hope for that dynamic young nation's future.

Since its establishment in 1948 Israel has proven that in many ways it resembles our own Nation—in its outlook on the world scene, in its ability to cope with complicated, economic and social problems, and in its aspirations for world peace as well as for the betterment of the lives of its own citizens.

I look forward to the day when Israel will become an accepted and integrated member of the Middle East family of nations and hope that from the great political turmoil in which the area is now immersed, there may emerge a society in which the many potential contributions which Israel has to offer will be freely accepted.

Again, I say that it is our solemn duty to America and to the peace of the world to support leaders in all Middle East countries who are dedicated to the cause of peace and stability and who seek to ease the tensions which have been created by events during the past decade.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I join with my colleague in paying tribute to the hardy tribe of people of indomitable courage and wish to state that this day of celebration is a joyous thing in the democracy of Israel.

Mr. Speaker, freedom-loving people all over the world are today rejoicing, together with the people of Israel and their



kinsmen in America, over the completion of Israel's first decade as a free and independent nation.

Ten stormy years ago a new nation was born. It came into being amidst turmoil and strife, but as a beachhead of democracy in an area of the world where democracy is little understood and even less practiced. The Middle East has for many centuries been an area of feudalism and autocracy.

During the past decade the people of Israel have hardly had a breathing spell for reverent and exultant meditation over the miracle of the rebirth of their state. Pressure followed upon pressure. Invasion and war were followed by continued tension along its borders, by economic boycotts and blockades, and by the implacable hatred of its Arab neighbors.

Yet, despite all these seemingly insurmountable difficulties, Israel has prospered during the past decade beyond the wildest dreams of its people. Her population has increased from 650,000 to 2 million. Her industry, commerce, and agriculture have grown mightily. Her relations with the free nations of the world have become most friendly and cordial. Her culture and education have been broadened and deepened. Her security as a nation and her future existence have been strengthened.

As one surveys the achievements of the young State of Israel over the past 10 harried years of its existence, one cannot help but marvel at the superhuman exertions of its people. Yet, as Israel celebrates today, its people and their friends everywhere are realistically aware of the great task ahead. In the second decade Israel must concentrate on the achievement of genuine peace with her neighbors, on securing her borders, on continuing its growth and development, on improving its standard of living, and on making her unique contribution to the well-being of all mankind.

Today Israel is recognized as a harbinger of peace and progress in the Middle East. This young democracy has been created in the image and in the concept of our own beloved America as a land of freedom and democracy. As such, Israel is determined to proceed along the path of true social justice and economic development to benefit not only its own people, but those of the neighboring countries as well.

We can contribute immeasurably toward the achievement of Israel's goals in its second decade of existence by offering our moral aid, our friendship, our economic assistance, our technical guidance, and our political support whenever and wherever necessary.

On the occasion of its 10th anniversary as an independent and sovereign state, I join with my colleagues in extending my heartfelt greetings and sincere felicitations to a valiant people. May the people of Israel enter the second decade of their independence in peace, in greater glory, and in the fulfillment of all their hopes and dreams. I send my greetings also to the Jews of America who have stood steadfastly by the side of Israel throughout this fateful decade and have aided and encouraged their kinsmen and coreligionists in every possible way. May

they live to see Israel as a prosperous and a happy State, at peace with its neighbors, and a blessing to all mankind.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, at dusk on today the ancient ram's horn will blow announcing the beginning of an all night celebration of the first decade in the history of modern Israel. Probably no other state of the contemporary world has a break in its history compared to that of the State of Israel. After 1,800 years of wandering and exile, the Jewish people returned to Palestine and in the midst of fierce battling proclaimed the reestablishment of Israel on May 14, 1948. I tried to visit the area in 1947 but was not allowed to do so because of the struggle.

We in this country join with the people of Israel on this momentous occasion, which marks a new chapter in the history of the Jewish people worthy of the men of the Old Testament. I personally wish to convey my feeling of exaltation which I have when I remember the trials Israel has undergone to reach this stage of development. I was a member of this body's unofficial Palestine homeland committee and I am proud of the fact some of my good friends have planted trees in my name within the confines of this bastion of democracy.

Of all the great achievements of the first eventful decade the most important has been the "ingathering of the exiles," who had spread over the wide earth during the course of the great dispersion. The State of Israel was founded to regain the old Jewish homeland where the Jewish people could build for the future and nurture the Hebraic traditions. The proclamation of independence declared that "the State of Israel will be open to the immigration of Jews from countries of the dispersion."

This declaration brought to Israel about a million immigrants from 79 countries during the first decade. During this period the population of Israel has multiplied 3 times. By 1957, Israel had a population of 2 million inhabitants, including about 1,800,000 Jews and 214,000 Arabs. No other country has grown so rapidly in an equal span of time. It was this vision that sustained the fighters on the borders during the intense combat of 1948.

New immigrants continue to arrive at the rate of 80,000 a year. The Israeli Government must support, for a short period, the new immigrants, few of whom can even speak Hebrew, the language of the country. But more pressing, the Government must assimilate the exiles into the steadily expanding Israeli economy. The question remains, is the economy developing quickly enough to meet the demands of the rapidly growing state? The country has never been self-sufficient and has to rely heavily upon imports.

The advancements of the first decade have been great. Plans for the next 10 years are even more ambitious. Israel is now employing modern techniques in industry and agriculture which bid fair to make it the progressive leader in the otherwise feudal Middle East.

In a recent statement the distinguished Israeli Ambassador, Abba Eban, said: "The American relationship remains a central cornerstone of Israel's international relations. Whenever the saga of Israel's rebirth is told, there will be praise for the great nation whose voice was first uplifted in recognition of our sovereignty; and whose hand has been extended, ever since, to help us up the steep climb toward our destination of security and peace."

Mr. Speaker, we praise Israel's achievements of the past 10 years, and we extend our confidence and encouragement for the future which holds possibilities for even greater progress.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I desire to compliment the gentleman from New York on his statement. I join him in saluting the State of Israel upon the 10th anniversary of its existence as a republic. The birth of an independent Israel was one of the significant events of this generation. Israel is an outpost of democracy; her continued growth is of major importance to the security of liberty throughout the world.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, I rise to offer my congratulations to the State of Israel on this day on which the Members of the Congress of the United States join in the celebration of the 10th anniversary of that new and courageous government.

The official celebration in Israel and among her friends throughout the world takes place tomorrow, April 24, 1958.

Seldom has so great a dream received such substantial realization in so short a time—a time, moreover, when economic and social problems within combined with danger from without to such extent that lesser hearts might have faltered. Statistics are available to attest the growth in population, resettlement, agriculture, industry, and social institutions:

#### ISRAEL'S FIRST DECADE OF PROGRESS

Population: 1948, 650,000; 1957, 2 million (approximately).

Land in cultivation: 1948, 412,500 acres; 1957, 957,000 acres.

Agricultural production: 1948 index, 100; 1956 index, 289.

Industrial production: 1948, negligible; 1956, \$700 million (45 percent increase since 1954).

Imports: 1949, \$253,120,000; 1957, \$403 million.

Shipping: 1948, 10 vessels, 14,000 tons; 1957, 35 vessels, 250,000 tons.

Hospital facilities: 1949, 63 hospitals, 4,626 beds; 1956, 102 hospitals, 12,250 beds.

School attendance: 1948, 113,035; 1957, 428,241.

National income: 1954, \$803,600,000; 1956, \$1,171,520,000.

Land irrigated: 1948, 75,000 acres; 1957, 350,000 acres.

Consumption of electric power: 1949, 329 million kilowatt-hour; 1957, 1,142 million kilowatt-hour.

Exports: 1949, \$29,680,000; 1957, \$134,200,000.

Communications: 1948, 18,400 telephones; 1956, 72,000 telephones.

Teaching staff: 1948, 5,954; 1957, 26,797.

Figures alone, however, impressive though they be, give no indication of the inner strength of this new state. Its people, starting with bare hands but high dedication, have provided within 10 short years a haven of refuge for their people and have demonstrated to the world what free men and women, working with modern methods and deep religious faith and consecration, can do to help themselves.

It has personally been my high privilege to visit Israel twice—in 1955 and 1957. Without the evidence of my own eyes, I would never have believed that so much could be accomplished in the 24 fleeting months between the visits. Standing today in recognition of their dream and in tribute to the courage and efficiency with which it is being realized, I combine my congratulations with the fervent hope that the years ahead will bring further industrial and agricultural achievement; an expanded area of activity in all lines; deeper social development; and to each within its borders that gift which is the highest which man can devise or Providence bestow—the right to live together with their neighbors in the spirit of human dignity, true brotherhood, and peace.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. DELLAY].

Mr. DELLAY. Mr. Speaker, it is a great privilege to join my distinguished and highly respected colleague in saluting Israel on its 10th anniversary and I can think of no better way to do this than to call attention to an editorial which appeared in the Hudson Dispatch on April 17, 1958:

Observance of the 10th anniversary of the founding of the State of Israel will begin in the United States, Israel, and 36 countries 1 week from today. Opening ceremonies of the American celebration appropriately have been set for historic Independence Hall in Philadelphia, on April 24.

The actual birth of the Israeli Republic was May 14, 1948, with the British formally ending their mandate and withdrawing their occupation forces from Palestine at midnight, and the Provisional State Council in Tel-Aviv proclaiming the establishment of the Jewish state called Medinat Yisrael (The State of Israel). The same day President Harry S. Truman on behalf of the Government of the United States gave de facto recognition to the newly born state, becoming the first nation to do so. It wasn't until May 18, 1948, that the Soviet Union granted de jure recognition to Israel.

Establishment of the State of Israel came about after a bitter struggle in the United Nations and in Palestine where the Jewish population was subjected to attacks by Arab soldiers. On November 29, 1947, United Nations General Assembly voted for the partition of Palestine and establishment of a Jewish state, an Arab state, and an international zone of Jerusalem, joined by an economic union. That day Arab delegates informed the U. N. of their opposition.

The following April, the United Nations Palestine Commission reported to the U. N. that it was unable to implement the 1947 resolution because: Powerful interests both in and outside Palestine are defying the resolution of the General Assembly and are engaged in a deliberate effort to alter by force the settlement envisaged therein. Armed Arab bands from neighboring Arab states, together with local Arab forces, are defeating

the purposes of the resolution by acts of violence.

Israel's proclamation of independence on May 14, 1948, pledged:

1. "The State of Israel will be open to the immigration of Jews from all the countries of their dispersion, will promote the development of the country for the benefit of all its inhabitants, will be based on the principles of liberty, justice, and peace, as conceived by the prophets of Israel, will uphold the full social and political equality of all its citizens, without distinction of religion, race or sex; will guarantee freedom of religion, conscience, education, and culture; will safeguard the holy places of all religions, and will loyally uphold the principles of the United Nations Charter."

2. The proclamation calls "upon the Arab inhabitants of the State of Israel to preserve the ways of peace and play their part in the development of the state on the basis of full and equal citizenship and due representation in all its bodies and institutions—provisional and permanent."

3. The proclamation extends its "hand in peace and neighborliness to all the neighboring states and their peoples" and invites them "to cooperate with the independent Jewish nation for the common good of all."

Israel was attended at birth by war, boycott and the struggle of the great powers of the world for dominance in the Middle East. The day after the declaration of independence the regular armies of Egypt, Iraq, Jordan, Lebanon, and Syria launched an organized attack upon Israel, after first proclaiming their intention to do so to the U. N. Security Council.

Simultaneously, the Arab League initiated a blockade against Israel, including a ban on all trade with the infant state, as well as denying to it the right to use the Suez Canal. That day Israel opened its doors to the survivors of Hitlerism in displaced persons' camps and elsewhere and began the fulfillment of its pledge of free immigration to all Jews seeking the same.

On May 24, Israel agreed to a cease-fire order from the U. N. Security Council but on May 26 the Arab States rejected the order. That day the Israel defense army was established under an ordinance issued by the provisional council of state. Following the success of the Israeli defense forces in pushing back the armies of the Arab States and in lifting the siege of Jerusalem, a truce was established by the United Nations for a 30-day period.

New Arab attacks began on October 15, 1948, with the capture of the Negev as the target point. A week later the fighting ended with the isolation of the Egyptian troops, the liberation of Beersheba by Israel, and the opening of free land communications to the Negev settlements. On November 15, Israel renewed its offer of peace negotiations with the Arabs. Hostilities in southern Israel ended on January 7, 1949, with the defeat of the Egyptian invaders.

An Egyptian-Israeli armistice agreement was signed on February 24, 1949, followed by an Israel-Lebanon armistice agreement on March 23 and an Israel-Jordan armistice agreement on April 23. Three days before its first anniversary, Israel was admitted to the United Nations as a member.

Despite the seemingly never-ending series of crises through which the young Jewish nation struggled, a tremendous advancement has been achieved in Israel's first decade of existence. Its three major objectives have been adhered to consistently, and in spite of the war with Egypt in 1956—a defensive move brought about by offensive maneuverings on the part of its Arab neighbors—it continues to emphasize its desire for peaceful relations

with adjacent Arab states, as with the rest of the world.

It would require much more space than we have available for this essay to set down all that Israel has accomplished in its first 10 years in improving its social and economic strength. But we cannot close out this tribute to a dedicated people who have refused under the most trying conditions imaginable to compromise in the slightest degree with their passionate determination first to achieve statehood and second to advance their new nation to one new height after the other, without citing some internal achievements.

Israel's population in 10 years has grown to 1,872,000, almost tripling the 1948 figure. Of this number, 864,000 entered the country after establishment of the state. Half of these came from Moslem countries in the Middle East and North Africa. The Arab population of Israel, all citizens of the state and enjoying equal rights, totals 204,000.

Agricultural production has increased to the point where 60 to 65 percent of local food consumption is obtained within Israel's borders. A total of 470 new agricultural villages has been established. Land under cultivation has increased from 412,500 acres in 1948 to 930,000 acres in 1956. In the Negev, there are 75 new settlements where none existed before. Today, there are 250,000 irrigated acres, an increase of 300 percent.

In 1948, there was little organized industry. Now, Israel's industries include steel, copper, pipes, tires and rubber goods, electrical appliances, paper products, refrigerators, radios, diesel engines, automobile assembly, fertilizers, and light tools. Vocational training engages 15.3 percent of the population in agriculture and 42 percent in industry, mining, and transportation. Its chemical industry includes exploitation of the mineral resources of the Dead Sea and Negev. Israel's water supply for industry and agriculture has been quadrupled.

Mr. DELLAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Delaware [Mr. HASKELL].

Mr. HASKELL. Mr. Speaker, I too, would like to join in congratulations to the State of Israel. It was my privilege last year to be in that country for a period of time and to see these hard-working people; people with leadership and a quality of wisdom that I think exists rarely in other countries of the world. These people, I think, deserve an unusual recognition for their determination and their courage and their extreme sensibility toward the needs of their fellow man. This little country, as we all know, has absorbed as many people into their small population of around 2 million as the United States does almost on a yearly basis. It is with a real sense of warmth that I commend this country and these people in their effort to survive under the most difficult conditions possibly existing anywhere else in the world.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. FARBERSTEIN].

Mr. FARBERSTEIN. Mr. Speaker, I am pleased to join in these remarks com-



memorating the 10th anniversary of the independence of Israel. I also wish to say that the gentleman from Connecticut [Mr. MORANO] joins me. He is unable to be present at the moment, because of a meeting of the Committee on Foreign Affairs.

Mr. Speaker, I am happy for this opportunity to express my heartfelt congratulations to the State of Israel on the 10th anniversary of its independence. In this decade Israel has made swift strides in reclaiming a barren land and in overcoming the obstacles of nature and hostile neighbors in order to build a modern state.

When I visited Israel last fall, I was impressed by the tremendous energy of its citizens in building new cities where only a year before there had been nothing but sand and desert. Everywhere there was evidence of swift development, in agriculture and in industry as well as in the arts and sciences.

In 10 years Israel has provided homes and an opportunity for productive existence to more than 900,000 homeless people driven out of Europe, North Africa, and Asia. American technical assistance contributed vitally to Israel's effort in reclaiming these human lives. And everywhere I went I saw evidences of the American program. Modern scientific techniques introduced under our program and engineering skills which we provided to a large extent made possible Israel's remarkable achievements in overcoming natural difficulties of climate and land. The people of Israel unquestionably made full use of American technical assistance and are looking ahead toward the conquest of the Negev, that vast stretch of barren terrain on which have been placed their hopes for future development.

Continued immigration to Israel, most of it last year from behind the Iron Curtain, has raised fears that Israel would have to expand at the expense of her neighbors. There is no justification for such fears. Within Israel's 8,000 square miles I saw much open territory and no evidence whatever of overpopulation. Israel's largest city is Tel Aviv, with a population of less than one-half million people. No objective observer who has traveled the length of Israel from the northern border to Elath, the new port city on the Gulf of Aqaba, could fail to see the vast stretches of land waiting for people and development.

Israel's great humanitarian effort in absorbing hundreds of thousands of homeless people has not been accomplished without considerable sacrifice on the part of the people of Israel as well as severe strain on the economy of the country. Israel is operating under an unfavorable balance of trade and will continue to need economic help. The trade deficit this year is around \$300 million, and inflationary pressures are growing. The cost of living is rising, despite government subsidies and other efforts to keep essentials within the reach of the average man in the street. Nevertheless, in spite of the difficulties created by the numbers of immigrants as well as by the hostility of Israel's neighbors, the people of Israel main-

tained and strengthened their democracy. Nowhere in the Middle East can one find the high degree of liberty, democracy, and stability that the people of Israel have demonstrated.

The effort of the Soviet Union to extend its influence in the Middle East must contend with this convincing demonstration of the fact that democracy works. The example of freedom in Israel has helped that country to serve as the advance guard of democracy among the new nations of Africa, in many of which Israeli missions have been able to establish working relations far ahead of the enterprising agents of communism. Although Israel's capacity to help these countries is limited, it is of enormous value to the Free World and should be supported by us wherever possible.

I would hope that in the next decade our Government will pursue more vigorous measures in making possible peace in the Near East. The people of Israel want peace with their neighbors and they feel that they can contribute greatly to the raising of living and health standards and generally to the regional development of the area. They have much to offer to their Arab neighbors. In the face of the Communist thrust, the siege by Arab blockade and boycott, and surrounded by rival Arab federations, Israel has maintained a constant alert but has remained calm and kept her powder dry. How long Israel will be content to watch the Soviet bloc pour ships, guns, and planes into Arab hands no one can say. Only when the Arabs are convinced that our country will regard any aggression against Israel as an aggression against the United States—only then will there be some hope for peace. We have been soft on the Arab boycott; we have not called upon American businessmen to ignore offensive Arab questionnaires. Nor have we protested Arab discrimination against American citizens of the Jewish faith. We have indeed weakly surrendered to the Saudi Arabian refusal to admit American soldiers of the Jewish faith to our base at Dhahran.

In spite of the tremendous gains of Soviet imperialism in the Middle East, we can still reverse the trend by making it unmistakably plain that we will stand behind our friends and that we will not aid those who support the Soviet Union. We should strengthen Israel by making it crystal clear that we will regard aggression against Israel as an attack upon ourselves. We should leave no doubt in any nation's mind that we will countenance any weakening of Israel or any attempt at appeasement at her expense.

Israel is by far the most advanced nation in the Near East. It is the only democracy in that region. Its people regard American prestige with at least as much concern as they do their own. They look to us for friendship and help because, like us, they too are fighting the battle of democracy against totalitarianism.

Mr. CELLER. Mr. Speaker, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to express my deep appreciation to the gentleman from

New York [Mr. CELLER] for taking this time to speak of Israel, his beloved spiritual homeland. I know of no one who did more to bring about the passage of the resolution passed by the Congress expressing the sense of the Congress that Israel should be a commonwealth and a free nation. The gentleman from New York [Mr. CELLER] has been tireless ever since in his efforts to support Israel and to strengthen Israel in every way. It was my great pleasure, as a member of the Committee on Foreign Affairs and ranking Republican member of that committee, to do all I could to bring about the passage of the resolution out of the committee and to secure the passage of that resolution on the floor of the Congress just before Christmas. Certainly, Israel deserves the warmest and most heartfelt appreciation for what she has done during the 10 years of her life. I do not believe any other country has ever done so much as Israel has done under terrible and difficult circumstances. I visited Israel years ago, before she became a free nation, with my late husband. I know the physical handicaps that they had to overcome. I know the handicaps of hostile surroundings that they had to overcome. I know the tremendous battle they have had to develop an arid land into a great and beautiful agricultural community.

I know the gentleman from New York knows of my great interest in having Israel protected at the present time in every way. I would like very much to have had this Government go ahead with the Aswan Dam and then let Israel keep the Gaza Strip and to have Israel protected in every way. In that way, perhaps, everybody would have been satisfied and the danger of fighting, in my mind, would be over. It is vitally important. I know so well the Jewish people in my own District, in my own State, and in my country. I know their traits and I know how they take care of their own. They never let their people suffer, if they have a penny with which to help them. They are always working for the civic benefit of their communities. They are a tremendous asset to our country just as the gentleman from New York [Mr. CELLER] is a tremendous asset to our country. They have gone into every walk of life and every industry. Everywhere they go they leave their mark for honesty and integrity. We are truly grateful to you, and we congratulate little Israel again and again and again. May she live to increase and prosper.

With the psalmist I say: "Peace be within thy walls, oh Jerusalem, and prosperity within thy palaces."

Mr. CELLER. I wish to state to the lady from Massachusetts [Mrs. ROGERS] that she is entitled to unstinted praise for her very remarkable and constructive statement that we have just heard. I can bear witness to the fact that during the many years we have served here together she has always been a true humanitarian, and that during the period I have known her she has been a true friend of Israel and her people, and we are grateful to her because thereof.

I now yield to the distinguished and very dear and affectionate friend from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the distinguished gentleman from New York, who now presides as Speaker pro tempore, may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KEOGH. Mr. Speaker, permit me to pay my deep and abiding respects to my distinguished colleague from New York for the persistent and tremendous efforts in strengthening Israel-American relations. I am happy to extend my sincere congratulations to the people of Israel on this 10th anniversary of their statehood. Time has shown the wisdom of the United States in fostering and supporting their independence. Israel has proved to be a stronghold of democracy in the Near East, where its high standards of living and rapid progress have demonstrated what can be done by an industrious people with American help and guidance. In building a land of free people, Israel has immeasurably reinforced our efforts to counteract Communist penetration into that part of the world. No one familiar with the dramatic events of the last 3 years can doubt the vital role played by Israel.

Nor can we forget that Israel has provided new opportunities for productive and useful lives to almost a million people, devastated and impoverished by war and prejudice. It is continuing its great humanitarian service at economic sacrifice to itself, but without the slightest diminution of its freedom or democracy. Israel is a nation that desires peace and is willing to work hard toward that end, but it has also demonstrated a military posture which oriental potentates and would-be dictators have learned to their chagrin to respect. It is vitally important for our country, in its own interest, to make unmistakably clear to the world our determination to continue to strengthen Israel and to guarantee its integrity and independence. May it continue to grow and prosper for countless coming decades.

Mr. MULTER. Mr. Speaker, I am pleased to join with all of our colleagues in their comments today. I have already expounded at length upon the subject in connection with the resolution that was presented to this House by the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], and which received the resounding support of this House today.

It is indeed heart warming that so many of our colleagues have remained until this late hour to participate in this special order. They have done so, regardless of political affiliations, again pointing up the fact that the goal of peace is indeed God inspired and that the struggle for liberty and justice and freedom is not partisan. It is not bipartisan. It is indeed nonpartisan. All of those who have joined with the gentleman from New York [Mr. CELLER] in offering their congratulations to the State of Israel are to be commended for again

indicating to the world at large, by their action and conduct here, that the United States and its people are indeed in the forefront and ever will be in helping all of those who seek to attain world peace.

On that note may I borrow from the traditional Hebrew and say "Shalom," peace; peace to Israel. Peace to her neighbors. Peace to all the world.

Mr. CELLER. I want to offer my congratulations to the gentleman from New York for that very fine tribute.

I now yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I take a great deal of pleasure in associating myself with the remarks of my distinguished and very dear friend, the gentleman from New York [Mr. CELLER]. It is with a great deal of pleasure that I join with him and other colleagues in the House in rejoicing at the 10th anniversary of Israel's independence. I think that we all, as lovers of freedom, realize how priceless this gift is. We can look not only with admiration but with a great deal of pleasure at the accomplishments of Israel during its 10 years of existence as a free state. It is interesting to note that during this time Israel has waged a constant semiwar with all her enemies, and repelled attacks of countries, yet during this time she has been able to gather into her borders tremendous numbers of people who have been afflicted with persecution or who wanted to have the advantage of this new land and contribute to the economy of this wonderful new land. It is interesting to note that Israel defeated Egypt in the last few years in what was known as the 100 hours' war. She drove an army well-equipped with Soviet instruments of war clear through the Sinai peninsula down across the Suez Canal and back into Egypt at a time when Egypt was preparing one of the largest concentrations of troops in the Middle East.

During this time she continued to plant, and build homes for her people, and develop a rich culture and added to her economic wealth by the development of minerals in the Negev. She has gone from a small, undeveloped army to a strong army; and she is now able to welcome her new citizens into solid, substantial, decent homes. She has built cities, she has opened 275,000 acres of irrigated land, and this at a time when she was constantly having to fight on all her borders.

I would like to read just a few paragraphs from the proclamation of independence of this wonderful new state. The second paragraph is particularly interesting. It reads as follows:

The State of Israel will be open for Jewish immigration and for the ingathering of the exiles; it will foster the development of the country for the benefit of all inhabitants; it will be based on freedom, justice and peace as envisaged by the prophets of Israel.

Israel has at all times extended her hand in friendship to her neighbors on all sides, but that hand has often been rudely rejected by her neighbors.

The next paragraph is also extremely interesting and I think shows the real feeling of these wonderful people:

We extend our hand to all neighboring states and their peoples in an offer of peace and good neighborliness, and appeal to them to establish bonds of cooperation and mutual help with the sovereign Jewish people settled in its own land.

Placing our trust in the Almighty, we affix our signatures to this proclamation at this session of the Provisional Council of State, on the soil of the homeland, in the city of Tel-Aviv, on this Sabbath Eve, the 5th day of Iyar, 5708 (14 May, 1948).

Mr. Speaker, 10 years ago, on May 14, 1948, an age-old dream was realized, a new state was born in the turbulent Middle East. On that day Jewish leaders in Palestine bravely took the destiny of their people into their hands and proclaimed the new State of Israel as a sovereign, independent entity. And President Truman promptly gave expression of the genuine feelings of the people of this country by recognizing the provisional government there as the de facto authority of Israel. No other step on the part of the Government of this country could have served the Israeli cause better. By that act we lent our moral support to Israel and, as events have proved, became its constant champion.

The citizens of this country have anxiously watched the birth and growth of Israel. Our financial and moral support to Israel has been and continues to be of decisive importance. At no time have we lost sight of the security needs and of the welfare of Israel. It might even be said that the Middle Eastern policy of our Government is geared to the stability and security of Israel as a sovereign state and the inviolability of her existing frontiers.

In the restless decade since her birth, Israel has taken her place in the family of nations. She has become a powerful force in the Middle East, one to be reckoned with. With her democratic form of government and with her highly skilled and trained industrial workers, she is becoming the industrial center of the Middle East. Keenly conscious of the dangers threatening her independence and her very existence, she has built a very efficient and mobile defense force which is regarded as the strongest fighting force in the whole region. In a short decade Israel has become a dynamic, vigorous, and growing state.

On the occasion of the celebration of her 10th independence day we wish the Israeli citizens peace and prosperity and happiness. And let us hope Israel will remain a real force for peace in the Middle East, a force for democracy and for freedom.

I would like to close my own remarks by stating, Mr. Speaker, that the Members of this House recognize this wonderful people and, speaking for myself, I intend to do all that is within my power to see to it that Israel is not only able to grow economically but also in richness, and that the national integrity of this wonderful people may be preserved.

Mr. CELLER. We are grateful to the gentleman for those fine remarks. It is just what I would expect from the dy-



namie, forthright gentleman from Michigan.

I now yield to, shall I say, the elder statesman—the gentleman from Illinois, Mr. BARRATT O'HARA.

Mr. O'HARA of Illinois. Mr. Speaker, I should like to be an elder statesman if with the stature of an elder statesman I could make a larger contribution to Israel.

The Free World is looking into the tomorrow, but there will be no tomorrow for the Free World if Israel should fall. Israel represents not only a faith in her destiny that has survived the centuries, but Israel also represents the democratic qualities of all free people.

Today the Committee on Foreign Affairs has been in session marking up the mutual security bill. I have left that session in order that I might join with my colleagues in happy acclaim of the brave state of Israel on this birthday occasion. As a Member of this body, as a member of its committees having jurisdiction in the field of foreign policy, as an American firm in my faith in the destiny of my country, I believe with equal faith in the destiny of Israel. The God above us has given to every individual and to every state a mission to perform. This I believe. This is the manner of the working out of infinite purpose. There is nothing haphazard in the pattern of an intelligence higher than human intelligence.

When I was in Israel only a few months ago I saw on every face the look of dedication. There was no fear, even though on every side there were dangers, even though the population of Israel is but as a handful in comparison with the millions of their neighbors who for a time are hostile. It is the sense of destiny that gives such dedication and gives birth to confident fearlessness.

As I walked the streets of Tel Aviv, and talked with men and women and children, all dedicated and all without fear, I thought of the men and women and children who with equal dedication and equal fearlessness were facing the future, confident of what was ahead, when our own United States of America was 10 years old. Those were the days when Americans were not ashamed to speak of destiny because upon them was the beckoning faith of great events that were to come.

The destiny of the United States as an instrumentality of a divine purpose was to bring mankind to a higher plateau of contentment in dignified living than ever before had been known. The true destiny of men and of nations is to serve unselfishly, and then reach the full stature of their greatness as they give benefit and blessing to all men. The destiny of Israel is to bring to a troubled area, once rich and fertile, but permitted to fall into desert, desolation, and poverty, the blessing of a physical reshaping as well as of a spiritual revival.

Israel is the friend of all the Arab States, and the time is not far off when in Arab minds will be recognition of that and in Arab hearts will be love and not hatred. The rich farming acres of central Illinois would not be what they are today unless there had been the indus-

trial growth represented by cities like Chicago that furnished the buying power for the products of the farms and for the machinery to minimize farm labor. So it will be in the Arab agricultural countries surrounding the State of Israel. Both Jews in Israel and Arabs in surrounding countries are in fact partners in a common enterprise to eradicate poverty, to revitalize arid acres and spread to all people in the area the blessings of a world rich enough to care for the needs of all.

In 10 brief years the people of Israel have shown how the desert can be made to bloom and what man can do in reshaping the possibilities of terrain when he has faith, and dedication, and industry. Israel does not covet a single foot of her neighbor's lands. All that she wants is that her neighbors can be as happy and as well provided for and as peaceful and contented as her own people in Israel. Egypt has so very, very much to gain from the friendship of Israel, and that I am confident more and more the leaders and the people of Egypt will come to realize. Egypt has 96 percent desert and health conditions are so deplorable that the average life expectancy is 30 years. If by her example, if by her showing what can be done in the little plot of ground that is hers, Israel can show the way to the Egyptian Government and people for the solving of their problems, then surely it will not be long until Egypt, with the other Arab States, have embraced Israel and have called her blessed.

Mr. Speaker, on this happy anniversary I join with my colleagues in giving reassurance to the State of Israel from the House of Representatives of the Congress of the United States that as a brother stands by his brother and a father embraces his son, so shall we continue to stand steadfastly with Israel, two nations embraced in a common destiny to lift all mankind to ever higher plateaus of contentment, brotherhood, and richer measure of human existence.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I want to join with the gentleman from New York in his remarks today on the 10th anniversary of Israel and to say, like all of my colleagues in the House, I am proud of Israel. I shall not take up the time of the House because of the fact that already I have stated earlier in the day my impressions of the accomplishments of Israel.

I congratulate the gentleman from New York for again bringing this matter to the attention of the Congress because it is a matter of importance to the Nation.

Mr. FLOOD. Mr. Speaker, on this 24th of April the people of the United States join with the people of Israel in celebrating the 10th anniversary of the founding of the State of Israel. This state, which proclaimed its independence in May of 1948, is one of the youngest republics of the world but with a heritage going back 3,500 years. Out of the sorrow and suffering of World War II the Jewish people regained their homeland and in the early years they fought

hard to hold it. Internal and external pressures menaced the existence of the state, threatening to wipe out Israel in the first years after its establishment. The people have continued to maintain a strong defense system along the borders and to battle the natural problems of a brown and barren land. Success has thus far been their just reward.

The Jewish civilization of the Old Testament had its roots in the land. Society in the days of the ancient Jews was principally agrarian. Jewish civilization—its calendar and holy days, its ethics of master and man and of property and communal rights, its earthy parables and flowery poetry—took its form and content from contact with the land. It was inevitable and necessary, therefore, that the return to the land should have constituted the soul of modern Zionism. The real labor for the impressive results of the last 10 years was done in the 70 years of Jewish colonization in Palestine, first under Turkish rule and then under the British mandate. It was during these years that the people cleared the land by digging stones out of the hills by hand and rooted out from the desert the prickly pear plants with primitive tools.

Visitors to the communal farming settlements in the Galilee hills have been amazed to see how quickly the new immigrants to Israel—students, merchants, and former inhabitants of Eastern European ghettos—have transformed themselves into farmers, working and guarding their own land. Confronted with the problem of competing with cheap Arab labor and the unproductivity of individual farm holdings in the marshy plains and the stony hill regions, these new settlers organized after much experimentation communities of friends who tilled the land in common, shared their knowledge and what machinery they had, and divided the fruits of their labor. The Jewish immigrants from Europe were acquainted with an agricultural pattern differing fundamentally from that of the American tradition. Instead of large individual farms separated miles apart from one another which are familiar to Americans, a village system predominates in Europe. Farmers live in village communities and go out to till the land lying outside of the village walls. Farm machinery and experience are widely shared. This pattern formed the background for Israeli agriculture. Group settlement characteristic of Israel, however, is still unique, ranging from the most rigid collectivism to looser forms of mutual help between individual farmers. Probably the one community which has attracted the most attention from foreign observers has been the kibbutzim. The kibbutz is a communal collective settlement in which all property is collectively owned and work is organized on a collective basis. The members give their labor and are supplied in return with housing, food, clothing, education, cultural and social services. There is a central dining room and kitchen, communal schools, communal social and cultural centers and central stores. A kibbutz is governed by a general assembly of all

its members, similar to the New England town meeting.

The agricultural effort has been highly successful in increasing the productivity of the land. The yield from the land has been raised threefold and now supplies about 70 percent of the country's food requirement. It is self-sufficient in vegetables, eggs and poultry. Foodstuffs are the main export commodity, chiefly citrus fruits, which comprise 42 percent of Israel's total exports.

The pastoral hills and plains of Judea have been changed into a vast verdant garden. The grazing sheep and goats have largely disappeared from the rocky hills. Irrigation has made the carefully tended fields of the north green for almost three-quarters of the year. It has made possible, also, the introduction of cotton into almost every section of the country. Already cotton has been started in the Negev, which is the frontier pushing into the southern desert area. It is expected that cotton will become one of the important export commodities of the future which are so vital to the development and expansion of Israel. The people have extensively cultivated the ancient olive and date palm groves which are mentioned in many Biblical passages. The shiny, waxy leaves of the orange, lemon, and grapefruit trees cover the plains for miles. Large-scale afforestation projects carried out by the Government have covered the hills with pine and cypress. Tamarisk trees have been set out to help control the drifting sand. The air is fragrant in many places with the sweet balm of the eucalyptus.

The people of Israel deserve our praise and congratulations for the great advancement during the last 10 years and our encouragement for the future which holds out possibilities for even greater progress. Truly the prophecy of old is being realized: "And the desert shall rejoice, and blossom as the rose."

Mr. HOLTZMAN. Mr. Speaker, today we have an opportunity to pay tribute to the State of Israel on her 10th anniversary as an independent and free nation.

A decade ago this nation was created, and for 10 crucial years has been a bastion of democracy in the Middle East. The United States was the first nation to give de facto recognition to this new country, and our friendship with Israel and her people has grown stronger and deeper with the passing years.

Despite tremendous odds, Israel has prospered and has made great strides forward in developing her natural resources, in furthering a healthy growth in her economy, and in bringing about a definite improvement in her social and cultural life.

Of utmost importance, too, is the fact that Israel has contributed much to the advancement of the cause of liberty and freedom throughout the entire world. She is a splendid example of democracy in action, and has set an enviable record—a record which stands for all the world to see.

The problems confronting the State of Israel and her people are not primarily Jewish problems any more than integra-

tion in the South is solely a Negro problem. As a young nation, she has experienced, even as our own country did years ago, the struggle for survival and growth, and she faces the future with confidence in her ability to achieve her objectives.

On my recent visit to Israel, I had ample opportunity to see the dedication of her people to the principles of liberty and justice. We here in the United States offer her our congratulations on this anniversary, and assure her of our continued warm friendship and cooperation in our efforts to bring security and peace to all nations.

Mr. RHODES of Pennsylvania. Mr. Speaker, I join in this recognition of the 10th anniversary of the founding of the independent State of Israel.

Israel's first decade of independence, like that of the United States, has been marked by peril from hostile enemies, by struggle for economic stability, for trade, and prosperity. It has been marked by successful efforts to build and produce out of a vast wilderness and the achievement of needed defense security measures.

The people of Israel have made a remarkable record of progress in these 10 short years. Today this nation stands as an outpost of freedom in this strategically important area of the Middle East, courageously resisting all efforts to deprive its people of their long-sought freedom. The United States, as the first Nation of the world to grant formal diplomatic recognition to the new State of Israel, is pledged to the preservation of its political security and independence against aggression.

On this important anniversary the people of the United States extend their warm greetings to Israel and its citizens.

Mr. CRETELLA. Mr. Speaker, on this day, April 23, 1958, I should like to add my remarks to those of people throughout the entire world and other Members of this body in congratulations to the hardy and brave State of Israel on the occasion of its 10th anniversary.

This country has, since its birth, displayed a strong friendship with our country and her hopes for peace set a shining example for all the other free nations of the world. The people of Israel on this day should indeed hold their accomplishments in proud proclamation. They have been herded through the lands of Asia and Europe for 20 centuries before building, almost with their bare hands, a homeland instilled with complete political, cultural, and religious freedom.

They have built a society which is free from the horrors they have experienced for thousands of years. Today, the United States as always stands firm for the unconditional preservation of the State of Israel, which is one of the few democratic nations of the Middle East and one which is attempting at great odds to survive against her militant and unfriendly neighbors.

I am proud to have voiced my opinion in the past, along with some of my other colleagues in this body, to President Eisenhower and the Secretary of State regarding our policy toward Israel. At

that crucial point when Nasser was receiving and utilizing armaments from Communist countries for the expressed purpose of destroying Israel, it was my unwavering belief that it was our obligation to provide defensive arms to Israel as an expression of deep United States concern for the safety of this tiny country.

Many of us likewise questioned the justice of imposing United Nations sanctions on Israel, while no such action was taken against Russia, for example, which has a long and violent record of invasion and subjugation of once free nations.

In my opinion the Eisenhower doctrine on the Middle East which pledges our support of any nation in that area endangered by the Communist menace has served as one of the most forceful deterrents to Communist domination there. It has helped to solidify our relationship with Israel, a continual target for Russian infiltration. America has a high moral, spiritual, and political stake in the freedom of the peoples of Israel and the Mideast, and the doctrine put forth by this administration supports this attitude.

Despite some questions to the contrary, Israel will sustain herself and remain a separate entity in the form of a nation which she has striven with such burning ardor to build.

One of her greatest assets is the human resources she possesses such as Ben-Gurion, Moshe Sharett, Eban, and others, who guide her through these dangerous and perilous years. I am very pleased to have the opportunity on this occasion to offer my heartiest congratulations to Israel and the wish for her everlasting existence and peace in the future.

Mr. TELLER. Mr. Speaker, I rise to salute the State of Israel on the occasion of its 10th anniversary. We in this country have a special interest in the State of Israel. The United States was the first nation to recognize Israel's sovereign statehood when it announced its independence in 1948. And the United States has pursued a policy of friendship and assistance to Israel which has sustained it in its many hours of need and peril.

But our kinship with Israel goes far beyond all this. Israel, like the United States, was born as a haven for the harassed, the oppressed, and the persecuted. Both countries have traditions of love for liberty and respect for individualism and free institutions. And in Israel, as in the United States, the people are committed to striving for an ever-increasing standard of living.

Gratitude to the United States has been the theme of Israel's expressions in celebration of its 10th anniversary—gratitude and dedication of devotion and fidelity to the people of our great country. We shall undoubtedly have occasion to reciprocate these sentiments in the coming years, for Israel is a friend of the West in an area confused by siren songs which conceal dictatorship and oppression. Israel is a place of stability surrounded by unstable countries which have not yet fully compre-



hended the advantages of peaceful living together for prosperity and freedom.

In saluting Israel on its 10th anniversary of sovereign independence we give new and forceful expression to our common ideals which, as they have made our Nation great, will serve as examples for Israel's continued success and well-being.

Mr. BLATNIK. Mr. Speaker, on the evening of April 23 when an Israeli official lights a torch on Mount Herzl in the Jewish sector of Jerusalem commemorating the 10th birthday of the new state, the light of that torch will serve as the beacon for many millions who may never actually see the Holy City. Actually only a small group of people will witness that solemn act, but millions will join the citizens of Israel in the celebration of their 10th anniversary.

This celebration demonstrates the truth of the old adage "Where there is a will, there is a way." The Jewish people in dispersion for almost 2,000 years kept the beacon of hope for a national homeland alive. They worked for its attainment willingly and ceaselessly, and so it seems only fair that they be rewarded for their tenacity, devotion, and above all for the supreme sacrifices they made and the suffering they endured. Happily at the end of their long pilgrimage they won their coveted homeland.

Today, only 10 years after the birth of Israel, brave and industrious Jews have made the new state a prosperous and progressive country, a solid democratic state in the Middle East. On the 10th anniversary of their independence day, I wish them peace, prosperity, and security.

Mr. SAUND. Mr. Speaker, April 24, 1958, marks the 10th anniversary of the birth of one of the world's youngest democracies. But it was 3,500 years between the dream of a homeland and its materialization that makes this a significant milestone for the peoples of Israel. After the centuries of waiting, striving, praying, and faced at times by almost insurmountable obstacles the State of Israel achieved existence only to be immediately oppressed by nations who wished to snuff her flame of life. Undaunted by severe tensions on her borders, and diplomatic smears by envious and dictatorial nations, Israel blossomed forth as the freest and most democratic nation in the Middle East. Supported by the other democracies of the free world, and especially by the United States, Israel created 275,000 acres of cultivated and irrigated land in a wasted desert, opened her gates to hundreds of thousands of immigrants, for whom she amply provided, and meanwhile built the foundations for a viable economy.

Israel is to be congratulated on accomplishing in 10 years of existence what might have crushed other states in 50, and accomplishing it under constant threats to her own sovereignty by other powers. It is our hope that peace will fill the rest of Israel's future and that the homeland of the Jewish people will achieve even greater milestones in her cultural, scientific, economic, and spiritual endeavors.

Mr. SADLAK. Mr. Speaker, on April 23, the people of Israel celebrate their 10th anniversary of the establishment of the Israel state.

In 10 short years, Israel has succeeded in establishing the same basic democratic concepts that have made the United States the great Nation it is. They have fought for and succeeded in obtaining freedom of speech, and freedom of assembly, of political, social and economic democracy. They have realized that without these ideals, a truly great nation could never flourish. Their struggle and success is a victory for democracy. Israel has exhibited the pioneering spirit, the struggle for independence, the same traits that have made us so proud of our American forefathers.

I wish to extend my sincerest and heartiest congratulations to Israel on their 10th anniversary. They most assuredly deserve it. Israel's accomplishments serve as an effective weapon against Communist propaganda. They serve as a symbol to the Free World of what a state can accomplish if their people are truly endowed with democratic ideals.

Mrs. DWYER. Mr. Speaker, the 10th anniversary of the formation of the State of Israel offers us an opportunity to consider one of the most remarkable achievements in recent world history—the creation of a free and independent nation out of little more than two ingredients: a relatively small amount of semi-arid land and a great deal of creative determination to build a homeland for the Jews of the world.

The story of this achievement is evidence on a grand scale of man's ability to triumph over his environment. It is a demonstration in historic terms of the creative power of ideals. And it is a glorious manifestation of the validity of the Jewish messianic dream that stayed alive through nearly 2,000 years of their dispersal.

Nowhere has this story of perseverance, hard work, and imagination been better told, or told with greater authority, than in last Sunday's New York Times magazine. There, in brief compass, David Ben-Gurion—for 8 of her 10 years Israel's Premier—has related the struggles, the challenges, the great achievements of a courageous people.

He has looked ahead, too, and told of the plans and hopes, the obstacles and the advantages facing the future of Israel. This is history told with spirit by a man who lives for his people. It bodes well for Israel and the Middle East, for the Jews and their neighbors the Arabs, and for the peace and security of the whole world.

We wish them well.

The text of the article follows:

ISRAEL'S FIRST DECADE AND THE FUTURE  
(By David Ben-Gurion)

JERUSALEM.—No small number of new countries have arisen in Asia and Africa during the past decade, but Israel differs from them all, both in the origins of her rise to independence and in her history during the first decade of her existence.

In the case of all the other countries concerned, their peoples were never expelled from their own soil but were conquered by foreigners and emerged into self-government

either with the agreement of their masters or as the result of a revolt against them. The Jewish people, on the other hand, had been uprooted from the soil for nearly 2,000 years and scattered throughout the world, and the source of the renewal of their state was the messianic vision that lived in their hearts during their dispersion.

At the beginning of the 20th century every sober and practical person regarded the establishment of a Jewish state in Palestine as an absurd and impossible dream. Even at the end of the First World War there were fewer than 60,000 Jews in the country. But it was not only the immigration of a few hundred thousand Jews between then and 1948 that gave birth to the State of Israel. The extent of Jewish immigration into Palestine during the 70 years that preceded the establishment of the state was much smaller than that of Jewish immigration into the United States of America and other countries, but the aims of those who came to Palestine were different from those of the Jews who migrated to any other country.

Beginning in 1878 the Jewish settlers in the land of Israel set about building an independent economy, creating a revived Jewish culture and establishing a defensive force of their own. The aim that guided them was the building of a Jewish state. Only a hundred years ago there was not a single Jew in the world whose mother tongue was Hebrew; today it is the spoken language of hundreds of thousands. Even before the rise of the state, Jews in Palestine tilled the soil, made roads, built houses, hewed stone, and manned ships to a greater extent than any Jewish community in any other part of the world.

The circumstances in which Israel's independence was proclaimed were also different from those which applied to the other young states. All the other new countries were established with the agreement—willing or enforced—of their foreign rulers. The midwife of Israel, however, was the U. N. General Assembly. Over two-thirds of the members of the U. N., headed by the United States and the Soviet Union, decided on November 29, 1947, on the partition of Palestine and the establishment of a Jewish state in one part of the country and an Arab state in the other. Then, in defiance of this U. N. decision, Israel had war declared on her even before she was established.

On November 30, 1947, Arab gangs opened the attack on the Jewish community in Palestine, while the mandatory government at times stood by, at times helped the Arabs and occasionally assisted the Jews. In most of these attacks the Jewish Haganah (the underground defense organization of the Jews in Palestine which had existed in various forms ever since the period of Ottoman rule) had the upper hand.

On May 14, 1948, I announced Israel's independence in Tel Aviv. (According to the Hebrew calendar, the 10th anniversary of that date is April 25; since that is a Sabbath, the anniversary will be observed on April 24.) Eight hours later, at midnight, the British authorities left the country and the armies of five Arab States—Egypt, Jordan, Syria, Lebanon, and Iraq—invasion Israel with the aim of wiping the revived Jewish state off the face of the earth.

At that time the state had 650,000 Jewish inhabitants, while the invading countries had a combined population of over 30 million. The Arab armies were equipped with every type of modern land, sea, and air armament, while Israel had no army, only an underground defense organization equipped with light arms: rifles, machineguns and a few hundred mortars.

The U. N., which was to some extent responsible for the rise of Israel, did not lift a finger in defense of the young state. This invasion by the Arab armies, however, nullified the decisions of the U. N. Assembly—not

in the manner that the Arab rulers would have liked to see, but in the opposite sense. The Arab armies were defeated and expelled, the area of Israel was increased, and the new Jerusalem again became the capital of Israel, as in the days of King David.

But Israel's most distinctive feature is the fact that during the first decade it has trebled its population. At the end of 1957 Israel had a population of 1,976,471, including 1,762,471 Jews and 214,000 Arabs. (If I am not mistaken the United States did not treble its population until 35 years had passed since its war of independence.)

As soon as it came into being, the new State of Israel opened its gates wide to any Jew wishing to make his home in it. The proclamation of independence declared that "the State of Israel will be open to the immigration of Jews from all countries of their dispersion." On the basis of this declaration, about a million immigrants from 79 different countries came to Israel during its first decade.

Of the three great achievements of these 10 years—the renewal of the Jewish state after more than 1,800 years of exile and wandering, the amazing victory of the Israel defense forces over the Arab armies in the war of independence and the immigration of a million Jews in the course of the decade—there is no doubt that the last was the most important and difficult. For its sake the state was founded; it was the vision that fired the hearts of the fighters for freedom, and it was the goal toward which the efforts of the state and the assistance of the Jews of the world were directed during the first 10 years.

The immigrants who reached this country before the Second World War came mainly from Europe, endowed with capital, education, and vocational skills. The great majority of immigrants who have arrived since the establishment of the state, however, came from impoverished and backward countries, without capital, vocational training, or education.

The young state, subjected to military siege and economic boycott by its Arab neighbors, was compelled to find housing for the immigrants, to teach them trades, to give them work, to settle them on the soil, to help them to acquire a new language, and to educate them to live as free and equal citizens of a democratic and freedom-loving state. It is doubtful whether this could have been achieved without the devoted assistance of the Jews of the world and especially of American Jewry. Valuable aid was also received from the Government of the United States.

More than a half million rooms have been built in the course of the last 9 years; the state invested over \$721,500,000 in building alone during the period. About a quarter of a million immigrants settled on the soil and became diligent farmers, although only a few among them had tilled the land before their arrival in Israel. About 500 new agricultural settlements were established, and the cultivated area was increased from 195,000 acres to 950,000 acres, while the irrigated area rose from 63,000 acres to 275,000 acres.

The greater part of these villages were established by immigrants from Asia and Africa who had had no agricultural training of any kind before their arrival, and yet within a few years they became transformed in Israel into a constructive and creative force, providing the town population with most of its food and, together with the Israel defense forces, maintaining the security of the country's borders. Most of the immigrants were absorbed in industry, communications and shipping—mainly in vocations in which they had never engaged before settling in Israel.

And just as there was a far-reaching transformation among the million immigrants in the cultural, economic, and social spheres

so there was also a profound change in the appearance of the country.

Agricultural and mining settlements sprang up in wastes that had been desolate and uninhabited for centuries; bare and lonely mountains and hills were covered with forests and orchards. Millions of trees were planted on the sand dunes on the hills and by the roadsides up and down the country. The extensive and pestilential Hula swamps in the north were drained, and thousands of acres of good and fertile land were reclaimed for new settlement.

There have also been cultural achievements on a large scale in the course of this decade. In September 1949, a law was enacted providing for compulsory and free education between the ages of 6 and 14. In 1949 there were 180,844 pupils (including 6,780 Arabs) in the elementary schools; in 1958 the number had risen to 404,900 (including 27,500 Arabs). There was a considerable expansion in secondary, vocational, and agricultural education.

The Hebrew University in Jerusalem and the Technion (Israel Institute of Technology) in Haifa became fertile sources of scientists and technologists of a high standard; the Weizmann Institute in Rehovot has become one of the finest scientific institutions in the world. About 1,200 new Hebrew books are published in Israel every year, which is no small number in proportion to the size of the population and bears witness to the spiritual energies of the young State of Israel.

There has also been important progress in the field of health during the first decade. The infant death rate, which was 52 per 1,000 in 1949, had fallen to 36 per 1,000 by 1957. In 1949 the average expectation of life was 65 for males and 68 for females; in 1957 it had risen to 68 and 72, respectively.

The main feature of the last 3 years of the decade was the more intensive development of the south and the Negev. A railway was built to Beersheba, and a road was laid from Beersheba to Elath, thus joining our country's two seas—the Red Sea and the Mediterranean—by a network of roads. After the Sinal campaign an oil pipeline was laid from Elath to Ashdod on the Mediterranean coast. These three undertakings opened up the Negev for settlement and development, which will be one of our central tasks in the second decade.

During the first 10 years there has been a considerable improvement in the lives of Israel's Arabs—in the economic, social, educational, and health spheres. In all these respects their position is better than that of the Arabs in the Arab countries of the Middle East.

At the end of 1948 the non-Jewish population of Israel was about 120,000. Since then about 30,000 Arabs who were living in the neighboring countries on the day the state was established have been permitted to settle in Israel with a view to the reunion of families. At the end of 1957 the number of non-Jews in the country was 214,000. Modern water installations for irrigation and drinking have been set up in the Arab villages. The improved methods in use in the Jewish villages are spreading among the Arab farmers.

There has been a great change in the education of Arab youth. Every Arab child, like every Jewish child, receives elementary education at the expense of the state. There are Arab students in the Hebrew University in Jerusalem and the Technion in Haifa. The general incidence of disease and the infant death rate among the Israel Arabs is smaller than that in any of the Arab countries.

The Arab farmer is not in bondage to large landholders as in the neighboring lands. A network of cooperatives is spreading in the Arab villages, in growing contact with the

Jewish cooperative movement. The Arabs are represented in the Knesset, Israel's Parliament, both as members of Jewish parties and as the representatives of Arab parties. They are entitled to speak Arabic in the Knesset, though some of them prefer to speak Hebrew.

In our second decade we must complete a number of tasks which we began in the first decade, and carry out several tasks which have yet to be begun.

The main goal of our settlement work in the next 10 years is to populate the south and Negev and establish agricultural and industrial settlements in central and upper Galilee. The first thing that is required for this purpose is the completion of the Jordan project, so that the waters of the River Jordan may flow to the south and Negev and enable us to double the number of our agricultural settlements in those areas.

From now onward, however, the concept of settlement must not be limited to agriculture. Israel's shipping, to the expansion of which there is hardly any limit, must occupy an important place in our constructive work, and the same applies to the development of mining and industry. During the next decade we shall develop and exploit solar and atomic energy and we may succeed in desalinating sea water by a cheap and economic process.

The population of the Negev will be based on pasture, plantations, field crops, mining, industry and crafts, transportation, tourism and shipping in the Red Sea. I can foresee three great and growing population centers in the Negev during the next decade, Elath, Mitspeh Ramon and Beersheba: Elath as an international port town, Mitspeh Ramon as a great center of mining and associated industries, and Beersheba as the gateway to the Negev.

The center of the state will continue to be Jerusalem, but there will be an important shift of population southward. During this decade we may expect to see a firm link between the Red Sea and the Mediterranean. The Beersheba railway will be continued as far as Elath; the oil pipeline will be enlarged; the Dead Sea works will achieve their maximum output, and scores of industrial towns will be built in the area stretching from Elath to the Lachish region and the settlements on the Gaza strip border.

During the next 10 years we shall raise the standards of elementary, secondary and higher education, foster scientific research, and do all we can to attract men of intellect and science from all countries to Israel and to establish Jerusalem as a world center of science and culture.

In the second decade we must complete the absorption and integration of all the immigrants who arrived during the first decade, as well as taking in and absorbing several hundred thousand additional immigrants from the centers of distress in Europe, Asia and Africa and tens of thousands of pioneering youth from the prosperous countries of Europe, America and South Africa. From the western countries we shall receive, in the main, a select and pioneering immigration. The driving force behind this latter immigration will not be distress—for it is to be hoped that the Jews of the western countries will not suffer from economic or political disabilities—but Israel's power of attraction.

During the next 10 years we must enhance our scientific and technical skills, and our capacity and efficiency in work. Increased stability, strength, security and survival itself are possible only if we raise our high standards of quality in all spheres; the quality of our work in field and factory; the quality of our military service; the quality of our science and technology; the quality of the internal social relations among our people. Without constantly growing participation by the best of the younger generation



in the western countries—in Europe and America—we shall find these things very difficult to carry out. On the other hand, the more our pioneering undertakings in the conquest of the desert and the raising of our cultural standards grow, the greater will be the attractive force of Israel; young Jewish intellectuals and scientists from the free and highly developed countries will find in Israel a broad field of action for their creative initiative. For I have no doubt whatsoever that among the Jewish youth in these countries there is also a latent desire for creative and pioneering work.

There will also be immigrants of a different type from these countries, and from the point of view of quantity they may be in the majority—immigrants whose energy and talents will be expressed mainly in the economic field; in agriculture, industry, shipping and transportation. There is an excellent example of an undertaking of tremendous economic and defense value which has been set up by a small number of young experts from America in the last few years: the Be-dek repair and maintenance workshops for planes at Lydda. In a country whose construction is only beginning there is room for much creative and useful enterprise of this type.

To our regret there has been no interruption in the threats of the neighboring Arab rulers to destroy Israel—but we look forward to the second decade confident in our strength, our creative capacity, and our good will; our hands are held out in peace to all people, near and far.

If the Arab States understood the benefits to be obtained from peace and cooperation between neighbors, Israel would be ready to cooperate with them in the political, economic, and cultural fields on a basis of equality and mutual assistance. I am convinced that not only would this be an important contribution to world peace, but it would be of advantage to the Arab peoples.

What these peoples need above all is development, education, health, and the enhancement of the dignity and value of man. In these fields Israel has shown her capacity during the past 10 years, and she would gladly give her neighbors the benefit of her experience. Nor would she limit cooperation only to the economic and cultural sphere. She would also be ready for political cooperation on the condition that it should be aimed at fostering peace in the Middle East and in the world.

In the meantime, Israel is determined to strengthen her military preparedness and to persevere in her work of rebuilding and redemption; to bring in Jews from the lands of oppression and misery; to conquer the desert and make it flourish by the power of science and the pioneering spirit; and to transform the country into a bastion of democracy, liberty, and universal cultural values based on the teaching of Israel's prophets and the achievements of modern science.

Mr. CELLER. Mr. Speaker, I yield back the balance of my time.

#### ISRAEL'S INDEPENDENCE DAY

The SPEAKER pro tempore (Mr. KEOGH). Under previous order of the House, the gentleman from Illinois [Mr. BOYLE] is recognized for 60 minutes.

Mr. BOYLE. Mr. Speaker, as has been noted on the pages of the CONGRESSIONAL RECORD earlier today, the gentleman from California, Mr. JAMES ROOSEVELT, left his hospital bed to come to the floor of the House and introduce an amendment to the federally impacted school bill. Immediately after his efforts, in keeping with the advice of his

doctor, he has left the Chamber and returned to the hospital.

For the last 4 years the gentleman from California has joined with me and other Congressmen on both sides of the aisle in saluting the 7th, the 8th, the 9th, and now the 10th glorious birthday of the State of Israel.

The attainment of a national goal, the realization of a long-cherished dream in the form of national independence, is justly and properly regarded as the culmination of a nation's deepest aspirations. Among peoples brought up and schooled in the western way of life, no ideals have been more influential over the hearts and minds of men than justice, liberty, and independence. Western-oriented peoples, individually and collectively, have placed upon these political ideals the highest premium. And today one's love of freedom and independence, and one's recognition of these ideas as man's sacred birthrights, is considered throughout the Free World as the hallmark of civilized men.

The new State of Israel, whose 10th independence day is being celebrated today, stands in its historic place as the culmination of the 2,000-year-old dream of the Jewish people. Nay, one may even go further, beyond the beginning of our Christian era, and state that since the time of the slavery of the Jews in Egypt—perhaps 3,500 years ago—since the days of their captivity in Babylon—2,500 years ago—and of course, since their expulsion from their historic homeland by the Romans in the year 70 of our era, and their subsequent dispersion to all corners of the world, they have dreamed, cherished and yearned for their return and settlement in their original home as free and independent people. The new State of Israel stands for a number of noble ideas and ideals. It is hardly possible to exaggerate its political, economic, and cultural importance. More than anything else, however, it stands as a symbol of genuine freedom and national independence in an area where the reality of true freedom is almost unknown.

After suffering for centuries at the hands of their fellow men, after enduring vicissitudes and hardships in many lands under both autocratic and totalitarian regimes, and subjected to unfair and iniquitous laws because of their religion, the Jewish people never forsook their great goal to return to the Holy Land and there establish a homeland where they could live in peace and security. The zeal, the perseverance, and vision, the industry, and the willingness of the Jews to sacrifice their worldly possessions has been eloquently demonstrated by the way they conceived, planned, and worked for the creation of modern Israel. Today that state stands as a living monument of their selfless devotion to the ideas and ideals of their illustrious forefathers.

Of course we all know that the new state in which so many Jews live and work today was not created easily. Nor was it brought about without superhuman efforts and great sacrifices. It is perhaps true that Israel as it is constituted today is not in position to become

the haven for all Jews wishing to go there, but fortunately it has been able, through ceaseless and energetic efforts, to rescue the most needy and destitute Jewish refugees and provide them with the means of livelihood in safety. This is not only to the credit of Israeli leaders; it is also a salute to the refugees when one realizes that they have already become Israel's most valuable assets. They are the workers and defenders of the country.

For almost 2,000 years the Jews in dispersion led a migratory and sometimes tragic existence. In some places they were welcomed. In some places they prospered; some of their numbers amassed great wealth, always contributing greatly to the culture, and even attained eminence in many walks of life. In other lands they were simply unwanted, or at best tolerated. While their contributions to the material well-being and cultural progress to those countries were appreciated, and mostly because of this they were accepted, yet their presence in those countries was generally considered as a necessary evil. In such countries they lived under discriminatory and degrading laws. They did not enjoy full religious freedom; they were not free to bring up their children in ways dear to them; their public life was restricted; they were regarded in a class by themselves, thus doomed to a lowly status. In a number of East European countries and Czarist Russia they were severely persecuted for what they were and for the beliefs they held. Occasional outbursts against them and even pogroms or organized massacres were carried out with or without the connivance of governing authorities. Throughout the course of centuries the harassed and humiliated Jews submitted to all these iniquities and indignities, suffered the attendant miseries and misfortunes with patience and forbearance.

During all that time whether the Jews lived in comfort and in luxury, or in abject misery and in utter distress, free or oppressed, their supreme national goal was to return some day to their historic homeland, to regain their independence and thus establish spiritual communion with their forebears there. Through the teaching of Jewish leaders the majority of the people clung steadfastly to this national goal. And finally, after the lapse of some 1,900 years, when they saw the opportunity of realizing their long-cherished dream and attaining their national goal during the First World War, they began to work for its implementation with a whole heart.

The British mandate over Palestine had envisaged the creation of a Jewish national home. Naturally, the Jews wanted to make the most of the materialization of their dream, and as the result of their persistent efforts, by the time of the termination of the mandate in 1948 Palestine's Jewish population rose to more than 700,000. This total constituted a preponderant majority in the new state. That was about 10 years ago. Since then dramatic and startling events have changed many things in the Middle East. Some of these changes have affected not only the shape and

destiny of the State of Israel, but have also influenced the course of events in the entire Middle East.

On the very day of Israel's birth the new state found herself at war with all her Arab neighbors. On that day the forces of five Arab states—Egypt, Iraq, Jordan, Lebanon, and Syria—began to attack Israel. She was not only besieged on all her land frontiers, but Syrian and Egyptian naval units blockaded her seashores. At first the fighting was desultory, though in places it was fierce and bloody. Intermittently, it dragged on until early 1949. On nearly all fronts Israeli forces gave a splendid account of themselves. Then by a series of armistices, arranged and signed under the mediation of the United Nations, the Arab-Israeli war came to an end in July 1949.

That was a costly war for the new State of Israel; it was her real baptism in warfare, but her natural gains in terms of territory were rewarding. That war also taught the Israeli citizens a most valuable lesson—unless they united all their efforts, banded closely together, and guarded their new state and their newly won independence at all times and at all costs against all comers their very existence would be in jeopardy. Having quickly mastered this lesson the hard way, the new and old citizens of Israel, under able leadership, braced themselves for the terribly difficult task of rebuilding their newly won country, of making it a secure haven for refugee Jews fleeing from other lands, and by guaranteeing the security of the country against all foes.

It is difficult to say which of these three arduous tasks—the building of the country, the ingathering and settling of refugees in Israel, or the defense of the new State—had priority over the other two, but the people of Israel did not have to make the choice because they had no choice to make. To them their tasks were cut out by the vicissitudes of history—all three were equally important, and they went to work with the confidence that they were capable of coping with all three of them simultaneously.

Today we know that in the course of a single decade the people of Israel performed all three of their exacting tasks with great success. In the rebuilding of the country and restoring its natural economy they worked wonders. By introducing scientific methods and by the use of chemical fertilizers, and also by planning and constructing canals and dams for irrigation, they have turned 275,000 acres of arid plains and craggy mountainsides into cultivable, productive lands. By building highways, and connecting small rural communities with large urban centers, they have established excellent communications systems. By establishing large industrial plants in the country, they have made Israel one of the most industrialized, modern and progressive communities in the whole Middle East. Also the development of a viable economy has been expedited by a fivefold increase in foreign exports in the last 8 years.

In the next phase, that of receiving and assimilating refugee Jews, they

were no less successful. Hundreds of thousands of refugees from far and near, from Europe, Asia and Africa were financed by the new state.

In the exertion of such superhuman efforts the citizens of Israel have had the constant and unflinching support of world Jewry, and also of all other liberty loving people of the Free World. When one bears in mind that on the average the Israeli Government spent somewhat more than \$12,000 to settle each immigrant family in Israel, and that during their first year there the government expenditure for each individual immigrant was more than \$1,000, then it is clearly understood that outside aid was indispensable. Fortunately in this humanitarian task non-Jews sympathetic to their cause helped the Israelis. Financial contributions from this country alone, during the decade, must have exceeded the billion dollar mark, excluding some \$300 million raised here through the sale of Israeli Government bonds.

Let me also add that in addition to individual and private contributions on an unprecedented scale by the citizens of this country, the financial and material assistance, and the moral support given by the Government of this country to the State of Israel has been immense. Since the birth of Israel, the United States financial assistance, in grants, technical assistance, credits and loans, totals more than \$400 million. During the decade, the flow of financial and material assistance from this country to Israel has never ceased except for the short interval during the Suez Canal crisis in late 1956 and early 1957. Only a few weeks ago, the Export-Import Bank concluded an agreement with Israeli authorities by which Israel is to receive a loan for \$24,200,000.

Having thus rebuilt the State of Israel, having also rescued most of the needy Jewish refugees, and having successfully settled them on their allotted patch of land in Israel, the citizens of the new state have been on the alert about the safety and security of their country. For self-defense, and for that alone, they have spent considerable sums on defense. They have armed themselves with the best defense equipment available to them, and today their armed forces are considered the best organized, best led, and man for man, the best fighters in the Middle East. Of course these funds appropriated for defense measures could be diverted into peaceful use. However, the security and well-being of Israel are constantly threatened by envious and dictatorial powers.

There you have the new State of Israel, or if you will, the revived and regenerated old Kingdom of Israel, the fulfillment of a dream which has been dearly cherished by Jews in dispersion for almost 2,000 years. Today the youthful, vigorous, prosperous and progressive State of Israel is a dynamic and growing democracy. It is the latest and perhaps the most powerful force in the Middle East—one that has to be reckoned with in any phase of Middle Eastern problems. On the 10th anniversary of its independence day we wish the State of Israel and

her citizens peace and prosperity. And may Israel, the greatest democracy in the Middle East, be recognized as a bridge and not a wedge between her Arab neighbors.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. BOYLE. I yield to the gentleman from New York.

Mr. MULTER. Mr. Speaker, it is a great privilege to be permitted to join with our very distinguished colleague, the gentleman from Illinois [Mr. BOYLE], in his tribute to the small, but nevertheless important, free and democratic State of Israel.

I commend our able colleague for his action today. But we in the House have come to expect that of him. Diligent, capable, and hard working, he is always in the forefront of every worthwhile cause, fighting hard but always fairly.

As an additional part of this celebration of the 10th anniversary of the State of Israel, I make a part of my remarks an invitation from His Excellency, the President of the State of Israel, as follows:

#### TENTH ANNIVERSARY INVITATION

The year April 1958 to May 1959, Iyar 5718 to Iyar 5719 in the Jewish calendar, will be a year of national celebration in Israel, marking the completion of the first decade of Israel's restored independence, on her historical soil.

This historic event signalled a victory for liberty and for the equality of nations, large and small. It represented some recompense by the world for the injustice suffered by the Jewish people throughout the centuries. And it climaxed the efforts of Jewry to fulfil the vision of their true prophets and realize the noblest aspirations of countless human beings in every age.

For us this will be a memorable year, a year of dedication to the lofty ideals which inspire us and to the urgent practical tasks that lie ahead. It is our hope that these labours will promote peace in Zion and peace between nations.

I send you the greetings of Israel and our heartfelt wishes for the peace and brotherhood of all peoples. I invite all to participate in our historic festival of freedom celebrations.

I know that our achievements in the last 10 years are a source of pride to all who have shared our faith, our aspirations and our efforts. We recall with deep satisfaction the impressive part played by Jewish communities the world over in the revival of our nation and the restoration of our ancient land. Our festival of freedom will make manifest the great contribution of these congregations and communities to the fulfilment of our historic mission.

I invite all our friends to visit us in Israel during our 10th year of independence. I would suggest that each community and congregation should send at least a minyan of its members to join us here in Israel in our thanksgiving celebrations.

Let all witness, with their eyes, the reality envisioned by the psalmist, "This is the Lord's doing: It is marvelous in our eyes."

IZHAK BEN ZVI,

President of the State of Israel.

(A translation from the original in Hebrew.)

Mr. BOYLE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may



extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the 10th anniversary of the founding of the State of Israel calls for the praise and jubilation of all freedom-loving people of the world. It gives me great pleasure today to honor the progress that the people of modern Israel have made under the most severe conditions. The very existence of the newly created State, whose independence its noble leader David Ben-Gurion proclaimed on May 14, 1948, in the midst of battle, has been continually threatened since then from both external and internal pressures.

I am moved by a deep feeling of pride and humility when I review the recent history of Israel. The deeds of his courageous people equal the tales of prowess and fortitude of the Jewish nation of Old Testament times. Truly the modern Jewish state embodies the spirit of King David and the ancient Hebrew prophets. It gives me great satisfaction to remember that the United States played a major role in the creation of the State of Israel and has continually rendered assistance and guidance to the infant state during its first fateful decade.

Many foreign observers have compared Israel to the West of America. Not only the same conditions in miniature, one may say, are present but the same vision which drew the American settlers over the Appalachian Mountains westward to California has moved the Jewish people to come to this narrow strip of land between the Jordan River and the sea from all over the earth in the hope of creating a new land. The civilization of Europe no longer offered an expanding society for these young people. It appeared to many of them that the old life of Europe and Asia was so bound to the past that there was little room for innovation. Many of the immigrants gave up comfortable positions in Western Europe because they believed that the ancient homeland offered an opportunity to make productive and fruitful its desert and rocky hills.

The farmers in Galilee along the Jordan, the Syrian and Lebanese borders are on the frontier of a new world. It is a world in which knowledge and science are battling the feudal tradition of the Middle East. These farmers, who not so long ago were students, merchants, inhabitants of the century-old ghettos of Eastern Europe, drive their tractors with one hand on the steering wheel and the other hand on a rifle in case of an attack. The American pioneers cleared their land with rifle stacks ready at hand to defend themselves against marauding Indians. Though these people live within the rifle range of vengeful neighbors, they have not panicked or become frightened. They have made the deserts bloom and the city hum with the sound of rising industries.

The people of Israel have changed the face of the old landscape familiar to

all of us from the stories of the Bible. Gone are the sheep and goats grazing lazily on the barren, rocky slopes of Ephraim. Modern agricultural methods, equipment, and education have been employed to increase cultivated areas by nearly 300 percent. A national irrigation program, which will be completed by 1961, has already increased the amount of irrigated land by 400 percent. Among the new industries which have been established are steel, fertilizers, tires and other rubber goods, paper products, piping, diesel engines, electrical appliances, and the assembly of motorcars and refrigerators. Textiles, plastics, all essential household items and many other products are produced locally. Although citrus fruits still contribute 42 percent of the total export, the industrial expansion has helped Israel's export trade, which has risen 500 percent during the first decade. While Israel is still not self-sufficient, progress is being made to correct the imbalance of trade which now exists.

The frontier areas of this small nation are wide. The second decade holds out as many challenges as the first. The main goal during the next 10 years will be the settlement and development of the Negev, a desert area in the south comprising more than one-half of the nation's land. Also agricultural and industrial settlements will be established in central and upper Galilee. Both of these programs require only hard work and water to make them successful. The people of Israel have proved that they can work hard. The future of Israel, therefore, may depend on water. The most pressing problem of the moment is to reach an equitable agreement with the Arab neighbors for the development of the Jordan River and its tributaries so that the waters can flow to the south to irrigate the parched, though rich, soil of the Negev.

Out of the melting pot of the Jewish people from 79 countries is appearing a new man, "new physically, mentally, and even spiritually," to quote the Prime Minister, David Ben-Gurion. The sense of persecution or fear which led to insecurity among many older Jews is absent in the new Israeli generation. They stand erect with their face to the future, proud of what they have already achieved, but never losing sight of the vision which brought them to the Jewish homeland.

#### FIRST NATIONAL CONVENTION OF THE AMPUTEE VETERANS ASSOCIATION OF AMERICA, INC.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mrs. ROGERS] is recognized for 20 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to read part of the

program of the first national convention of the Amputee Veterans Association of America, Inc.:

#### WE WALK SO THAT OTHERS MAY LEARN

In the closing days of World War II the Army and Navy set up hospital amputation centers throughout the country to better care for those men who, as a result of military service, suffered amputation. These cases required a long and intensive period of physical therapy along with every phase of physical and mental rehabilitation.

The climax of all this was reached when they walked out on their own, wearing an artificial leg, an artificial arm, and in some cases both.

During their long hospital stay these men shared experiences and formed friendships which have lasted over the years. At this point the Army and Navy stepped aside, and the Veterans' Administration took over the job of helping these war veterans in their transition to a normal civilian life. Today, as they hold their first national convention, they look to the future. A future wherein they visualize a definite role that they can fill in the field of prosthetic research and medical rehabilitation.

It is their hope that a workable and sincere program be set up to help those people who are sometimes forgotten in the fast pace of life as we live it today. And who are these people? People from all walks of life, people from all sections of the country. They are the ones who, as a result of motor-vehicle accidents, industrial accidents, or disease suffer amputation. They comprise men, women, and children. If they can do this, if they can be instrumental in making life a little bit more pleasant for all physically handicapped, it might well be their way of saying "Thanks" to their country and the American people.

DEAR FELLOW AMPUTEE: We are delighted to welcome you to the first national convention of the Amputee Veterans Association of America, Inc.

The city of Boston, the Commonwealth of Massachusetts, and your convention committee have worked diligently and unselfishly to organize this convention and provide for your complete comfort and enjoyment. We are indeed grateful to them for their tremendous effort.

It is our sincere hope that you will not only enjoy the varied program that has been arranged for you, but also that you will take an active and serious part in all of the convention's business sessions and deliberations. We have a great deal of work to accomplish during this period together and we hope that you will help us to make this, our first national convention, a marked success.

Our every good wish for an enjoyable and productive convention.

LAWRENCE FAHEY, *Commander*,  
CHARLES MACGILLIVRAY, C. M. H.,  
*Convention Chairman*.

THE WHITE HOUSE,  
Washington, March 17, 1958.

CHARLES MACGILLIVRAY, C. M. H.,  
*Chairman, Amputee Veterans Association, Inc., Boston, Mass.*

As the Amputee Veterans Association of America meets for its annual convention, I am happy to salute your valiant membership and to extend cordial greetings.

No one knows better than you the extreme wartime sacrifices that free Americans have made through the years in the defense of our liberties. No one more deserves recognition from his fellow citizens.

Best wishes for a most successful convention.

DWIGHT D. EISENHOWER.

TIMES UNION,

Albany, N. Y., April 20, 1958.

MRS. EDITH NOURSE ROGERS,  
Member of Congress,  
House Office Building,  
Washington, D. C.

DEAR MRS. ROGERS: It was very kind of you to suggest placing my speech in the CONGRESSIONAL RECORD and I am enclosing a copy of it for that purpose. I am also enclosing a copy of the telegram sent by Bill Hearst. I thought that you might also want to put it in the CONGRESSIONAL RECORD.

As always it was a great pleasure to visit with you and I want to congratulate you on the well-deserved tribute paid to you by the Amputee Veterans Association of America.

Sincerely,

DONALD R. WILSON.

CHARLES A. MACGILLIVRAY,  
Amputee Veterans Association of  
America, Boston, Mass.:

I am using this telegram as a big, black pencil to underscore every word that Don Wilson has addressed to the Amputee Veterans Association tonight as the spokesman for the Hearst newspapers.

You do our newspapers great honor and you do me great honor and only my absence in Europe keeps me from being there with you tonight.

Your scroll will hang prominently in our headquarters offices, a daily reminder of our strong and warm interest in the affairs of America's veterans engendered many years ago by my father.

Will you please assure the members of your own association that this interest will continue, just as warmly and just as strongly, but most particularly in the affairs and in the rights of those like you who have paid a higher price than the rest of us for renewed guaranties of our American freedoms and principles?

WILLIAM RANDOLPH HEARST, JR.

ADDRESS BY DONALD R. WILSON, ASSISTANT PUBLISHER, ALBANY TIMES-UNION, BEFORE NATIONAL CONVENTION OF THE AMPUTEE VETERANS' ASSOCIATION, BOSTON, MASS., APRIL 19, 1958

It is humbling to me to be placed in the position of representing Bill Hearst and the Hearst newspapers at this first national convention of the Amputee Veterans' Association.

The entire Hearst organization is proud of the fact you have elected to honor it by the presentation of this scroll attesting our efforts to be of service and help to those whose scars evidence their sacrifices in preserving the principles of justice, freedom, and democracy.

The Hearst newspapers are the direct beneficiaries of this Nation's freedoms. To those who have preserved those freedoms, we acknowledge our obligations and our duties. We are honored to know that you believe that, in part at least, we have been true to the remembrance of the sacrifices made for us and for all America. We shall always hope that, as you judge us, you will find us constantly true.

But I know that you share the view, suggested in Bill Hearst's telegram, that there is imposed upon all of us an even higher duty than that of remembering and serving those who have borne the battle. That is the duty of preserving and protecting our divine national heritage against all enemies, both within and beyond our shores, who would defile and destroy it.

It is appropriate that you and we should acknowledge this duty tonight, here in Boston, on Patriot's Day. This is the anniversary of a warning given to Americans in time. On that date, let us pledge again our determination to preserve them.

Since that date 183 years ago, America has grown great and has prospered. Her armies

in numerous wars have marched to victory. She has more machines, more gadgets, a higher standard of living, more leisure, more luxury, more schools, more highways, more productivity than any other nation in the world. In less than two centuries, she has risen from the status of a few disorganized colonies to the first rank among all nations and peoples.

It might pay us to pause here for a moment and reach back into the Holy Bible for a penetrating question: "What shall it profiteth a man if he gain the whole world and lose his own soul?"

This is a question, asked since biblical times. It is meant as a warning to all, that mere material success and greatness cannot protect a man from the emptiness and defeat that inevitably follows the loss of his principles, his ideals and his essential belief in himself as a being of God's creation.

Americans need to examine themselves tonight in the light of this biblical injunction. Are we, as a people, beginning to lose our souls? Perhaps the ideological light upon which this Nation was founded has begun to grow dim. Do we honor and revere our political heritage as we should, or are we growing too worldly and too sophisticated to appreciate its distinctive greatness? Perhaps national ideals are becoming unfashionable and outmoded. Maybe we are losing and becoming unmindful of the brilliance of the torch of legal equality, political freedom and economic independence which we once so proudly exhibited for all the world to see and admire.

All of us have great confidence in the collective wisdom of the American people. (As an aside, I might mention that the Hearst newspapers were built on that belief and are motivated and sustained today by that belief.)

But it is never untimely for all of us to reexamine the fundamentals of our beliefs and our conduct in the light of those fundamentals.

America has no greatness other than in the fundamentals which inspired her creation. All else is dependent upon the fervency of our belief in this alone and upon our devotion to it, our sacrifice for it, and our pride in it.

What are fundamentals?

There is first a belief in the divinity of our origins. We first acknowledge God. We worship Him and pray for His guidance in our private and public undertakings. We seek to be the servants of His will.

Today, in addition to increasing church attendance and membership, there is need to eliminate the too numerous instances of private and public immorality. There is a need to bind the family together in the church, to reduce the rate of juvenile delinquency, to turn away from the weakening influence of corrupting fads and return to the hard and strengthening beliefs of divine creation.

Secondly, we believe that the Creator who created us equal gave to us and to all men certain inalienable rights, privileges, and opportunities. We are not beholden to any governmental authority for the possession of these rights. They are not within the power of any government either to grant or to take away. Government itself is a creature of a free people exercising their inherent rights. Nonetheless, we have been proud of the form of government which we have fashioned to act as our servant and not our master. We have been proud of the power we have given it and proud of our ability to contain it within clearly identifiable bounds.

These are the essence of our personal, political, social, and economic beings. Never before in the history of mankind was so much spiritual and moral depth injected into man's justification of himself and of the agencies he created to help him govern himself.

The magnificence of this belief stirred the imagination of all Americans. It excited and inspired them. It reached into their hearts and aroused confidence and patriotism. These qualities were reflected in all that Americans did. It was reflected in their educational processes, in their commerce and industry, in their inventive genius, in their wars, in their peaceful dealings with other nations, in the whole collection of their laws and institutions. America and Americans were dynamic, driven and inspired by the fervency of their beliefs and of the limitless opportunities in all things that stretched out before them.

Tonight, I raise the question of whether these qualities are less sparkling and vivid in us than in our forebears? Do we have the same divine inspiration? Do we have the same proud, exuberant patriotism? Do we breed our fundamental convictions into all our institutions and enterprises, foreign or domestic? Or have we become timid, apologetic, uncertain, and reluctant both to proclaim our greatness and our ability under God, to respond with victory over every threat and challenge? Are we living in the shadow of our past greatness? Are we hiding from our responsibilities and avoiding challenge by self-deception?

Specifically, in the great economic, social, political, and military challenge which has been flung at us by the Soviet Communists, do we match their fervency of belief with equal fervency?

Do we accept or avoid the gage of battle? Do we still believe in the inviolability of the truths of our greatness? Or do we try to hide from the threat to our existence by proclaiming the weakness of our enemy rather than relying on our own inherent, God-given strengths?

The evidence is that we have been trying to hide. We have been trying to explain our enemy away. We have tried lying to ourselves and pretending that our enemy is other than it appears to be.

My friends, there is no place to hide. Our enemy is not a dream; he is real. We cannot explain him away; we must face him. We must acknowledge his strengths and meet them with our own superior strengths. We must analyze his weaknesses and exploit them.

Last fall, Bill Hearst together with Frank Coniff and Bob Considine penetrated the Iron Curtain. Upon their return, Bill Hearst drafted a report to the American people which all of you either read or should have read.

In the first installment, Bill Hearst dealt with his own great concern over the manner in which we were apparently blinding or deceiving ourselves and apparently wilfully refusing to face facts. He kindly described them as illusions and gravely warned of the perils we must face if we continued to so indulge ourselves. He illustrated the point and the peril by referring to three specific illusions:

1. That sputnik and other Soviet scientific successes were achieved only because Soviet leadership concentrated all resources on them and deliberately ignored the needs of the Russian people for food, clothing, and housing;
2. That Russian peace propaganda was designed only for external consumption and bore no relationship to the Russian people, and
3. That the Soviet leadership was not accurately informed of affairs in America and elsewhere.

He carefully described why these assumptions which we have so readily made are simply not true, and he struck an urgent note of warning against the tendency of ours constantly to underestimate our enemy. Although acknowledging our continuing need for the greatest of military strength, he found the greatest danger to us to be not



in the possibility of war but in our failure to recognize the other equally important areas in which the Soviets are engaging us in a test of strength such as in the areas of education, ideology, and economics.

Oddly enough, these are areas in which our entire background of experience should make us invincible. But these are areas in which we have denied the dynamism of our own distinctive heritage.

For example, why is it that we who owe much of our greatness to the importance we always attached to the role of education turned away too readily from academic discipline, the authority of the teacher, the importance of examinations, the competition for marks, the necessity of compulsory courses, and the respect for and aid to demonstrated ability? While we replaced all this with a vague wandering in the field of educational experimentation without goal or direction, the Soviets were building an educational system on the very foundations we renounced.

Why is it that we who are possessed of the most revolutionary and exalting ideology in the history of the world have been reluctant to teach it in our schools, live it proudly in our everyday comings and goings, preach it to the whole world? Why has pride in country and openly proclaimed patriotism too frequently been viewed as something to be embarrassed over, if exhibited? All this while Russia has been teaching and preaching pride, patriotism, and invincibility. Why have we permitted Russia's fervent devotion to the most evil, enslaving, and contemptible theory of life and government ever designed to outmatch the fervency of our belief in our divinely inspired philosophy? We apologize instead of proclaiming. From a world in desperate need of hope we shamefacedly hide our greatest possession—freedom of the person to realize his dreams.

Why do we, the world's greatest manufacturers, producers, and traders, timidly and fearfully contemplate the Soviet's economic challenge instead of joyously leaping at the opportunity to meet and defeat the Soviets in an area of our own greatest strength where all we need for victory is courage?

These are paradoxes of our own creation. We hold the answers to them in our own minds and hearts. All that is needed is for us to break the shackles of timidity, self-deception, fear, and lack of realism which bind and oppress us.

Soviet Russia is a real, vicious, and dangerous opponent. We cannot wish her away. She is a constant, competitive threat to us in every field of human thought and conduct in every area of the world. Our principal realistic resolution must be to meet this competition and to be victorious over the Soviet menace.

I use the word "victorious" intentionally. It is a word which has too long been omitted from our political and ideological vocabulary. The Soviets have not been at all reluctant to proclaim that their goal is victory. By being positive, they have unquestionably won adherents. We do ourselves a disservice by being hesitant in announcing that our goal is victory and that we are confident of achieving it. When we announce that is our goal, the people of the world will have something to follow. As long as we are indeterminate as to our goal, we make it difficult for people to rally to our cause, for they are confused by our failure to provide a readily understandable objective which will inspire them to follow us.

But it is not enough for us merely to shout "Victory." We must promptly begin to take those practical steps which will guide us and our friends in that direction.

In the final installment of the series of articles which Bill Hearst wrote when he returned from Moscow, he suggested, among other things, that there be organized a "peace cabinet," which would have the func-

tions of, first, recapturing the grandeur of the word "peace" from the distortions of the Soviet propagandists; secondly, placing us again in the vanguard of scientific and technological achievement; and thirdly, guaranteeing that no area of competition with the Soviets is neglected. He claimed no infallibility for himself or the other members of the Hearst task force, but invited all of us to come forward with our ideas.

This is a challenge all America must respond to. It is particularly appropriate for it to be reiterated here before the Amputee Veterans Association, composed, as it is, of men who dedicate themselves to service to their fellows and who gallantly bear the scars of their devotion to America and to the preservation of its ideals.

You, above all others, bear your patriotism proudly. You know the value and urgency of victory.

I do not presume to counsel you as to the organizational resolutions you may reject or pass. But I do say that as individual members of this great society of ours who have paid an incalculable price for its preservation, you may surely issue a call for America to rededicate itself to the principles and ideals of its youthful beginnings. You may call for a return to morality and Godliness. You may call for the relighting of the star of freedom for all the world to see. You may call for America to resolve to win in the competitive struggle in which she is engaged. You may call for us to recapture the integrity of our educational enterprises, our ideological superiority, our productive economic genius. You may call for pride in our country and belief in its destiny.

No man can stand before you and deny you an enthusiastic response. No man can fail to follow your leadership.

In your worthy endeavors concerning both your role of service to those who need the special help which only your experience can give and in your individual role of rallying all Americans to believe in the virtues of the America you preserved, the Hearst newspapers will stand by your side and promote to the limit of their abilities, both you and our country.

With yours there will be no stronger nor more constant voice than the Hearst newspapers in issuing to all America its call to greatness.

Mrs. ROGERS of Massachusetts. Massachusetts was very proud that gallant Lawrence Fahey was commander of the first national convention of the Amputee Veterans' Association of America, Inc., and that Charles McGillivray, a Congressional Medal of Honor man, was chairman of the convention which was such a huge success. The amputees many times have sent their thanks to the Congress for passing the legislation that rehabilitated them and for the legislation giving them their automobiles.

I think it is very touching and extremely fine that they are dedicating their lives today to help others who without them might not have any help. I think they did not realize fully until I told them at their convention that as a result of the \$1-million-a-year research bill the Congress passed, little children born without feet or legs or arms, and older people, have been fitted at Walter Reed Hospital and elsewhere with prosthetic appliances. If you could have seen those children as I saw them last year walking about, dancing almost, I know you would have rejoiced with the amputee veterans.

Mr. Speaker, I have also included in my remarks a letter from Mr. Wilson,

former national commander of the American Legion, in which he encloses a copy of the cablegram sent by Mr. William Randolph Hearst, Jr., to the Amputee Veterans Association thanking them for giving him a citation for the work that the Hearst papers have always done for the disabled veterans and particularly in this case for the amputee veterans.

And a copy of Commander Wilson's very fine speech.

Mr. AVERY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman.

Mr. AVERY. Mr. Speaker, I should like to compliment the gentlewoman on the fine statement she is making, as she always does. But I should like to make a further observation. I know of no one in private life or in public life who is any more understanding, any more compassionate and any more dedicated to the service of those persons who are underprivileged, who are handicapped, than is the gentlewoman from Massachusetts [Mrs. ROGERS]. Certainly we in public life feel a general sense of responsibility to these unfortunate people, but it is too easy to put it off, to do something that is a little more expedient possibly, or something with a little more pressure back of it than for these underprivileged and unfortunate persons. But the gentlewoman from Massachusetts always puts them in top priority and as a Member of the House I want to express my appreciation to her of her dedication to duty and of her interest in these unfortunate humans. Certainly I am sure other Members would like to share with me this tribute that I pay to the distinguished lady from Massachusetts.

Mrs. ROGERS of Massachusetts. I thank the gentleman very much. I know of his splendid work at the present time in behalf of all of these people he has mentioned and of his work on the Committee on Veterans' Affairs, when he was a member of that committee, which was extremely valuable. I should like to say to the gentleman that anything that I may have been able to accomplish was due entirely to these wounded men. I have seen these wounded men. I know what they have suffered. They have given me all sorts of ideas and suggestions. They have been perfectly invaluable. It is not anything that I have done. If I have been able to accomplish anything, it is just because of them and the inspiration that they have been. It was wonderful to see these men and their lovely wives again. Many of the senior members would remember them when they came from the hospital.

Mr. AVERY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. AVERY. I believe the gentlewoman is underestimating her own personal contribution in these matters. I appreciate the approach she is taking, and I realize that some of the proposals the gentlewoman has made may not have been original with her, but may have been presented to her, but nevertheless she does take her time from her

busy day to bring to the floor of the House or to the Committee on Veterans' Affairs, or any committee that may have to do with the particular problem in which the gentlewoman has such great interest. And it is from the overall standpoint that I particularly want to congratulate the gentlewoman, and not with reference only to this particular subject. I congratulate the gentlewoman for her dedicated interest in all veterans' affairs.

Mrs. ROGERS of Massachusetts. I thank the gentleman tremendously. I think it is nice for the House to know how very much all veterans appreciate what has been done for them. The veterans paid so dear a price for our freedom. They paid in pain and sacrifice that we might be free. They still dedicate their lives to others.

Mr. MULTER. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. MULTER. Mr. Speaker, I want to take this moment to commend the gentlewoman from Massachusetts, Mrs. EDITH NOURSE ROGERS, for again taking the lead in this very important work in behalf of those who are less fortunate and cannot do these things themselves. She has always been in the forefront of this work. May I note also for the record, quite by coincidence our distinguished colleague, the gentleman from New York [Mr. KEOGH], who is now presiding as Speaker pro tempore is taking the lead in seeking to get additional tax consideration for those very persons for whom the gentlewoman from Massachusetts, Mrs. EDITH NOURSE ROGERS, has spoken so eloquently. I trust that all of her endeavors will continue to meet with success.

Mrs. ROGERS of Massachusetts. I am perfectly delighted about the tax reduction bill of the gentleman from New York [Mr. KEOGH]. These amputees certainly deserve the very best there is. There was not one word spoken for themselves, that I heard, at that great dinner that they held. They spoke only of what they could do for other people and they spoke in appreciation of what had been done for them. I thank the gentleman very much. He is always most kind and helpful.

#### TREASURY GIVEAWAYS TO BOND SPECULATORS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I called attention from time to time to Treasury giveaways to the big buyers and the speculators in United States Government bonds that were repeatedly made under the previous Secretary of the Treasury.

The same pattern of giveaways—issuing bonds at excessive interest rates—has been consistently followed by the Treasury under the present Secretary. These

giveaways are an almost inevitable result of the method which the Treasury follows in selling its new bond issues.

#### SETTING INTEREST RATES TOO HIGH

Week before last the Treasury sold \$3½ billion in new bonds. The Treasury set a maturity date of 4 years and 10 months on these bonds, and it set an interest rate of 2½ percent. The result of this combination of short maturity and high-interest rate was that the bonds were oversubscribed 4 to 1. This meant that would-be buyers offered to buy \$14 billion worth of these bonds at the interest rate which the Treasury put on them. In other words, the demand for these bonds could not be satisfied, and the Treasury had to turn down some of the buyers' offers. In fact the Treasury ended up allocating these bonds—at least among the buyers who had bid for more than \$10,000 worth, so that each of these buyers was allowed to have only about one-fourth the amount he offered to buy.

In short, the Treasury missed its bet again. In guessing how high the interest rate would have to be fixed in order to sell the bonds, it guessed too high. These bonds were issued on Friday, April 11, and by the next Monday they were being traded in the open market at a premium. In a few moments, I will call attention to some illustrations which have been given by Miss Sylvia Porter of the arithmetic by which big-money speculators have made a killing in these bonds.

#### PREMIUMS ON PREVIOUS ISSUES

Such has been the history of every security issue by the Treasury this year—that is, every issue which has been sold with an arbitrary fixed-interest rate, instead of an interest rate determined by competitive bidding. Every one of these issues has involved a giveaway. Let me list them:

On February 3 of this year, the Treasury issued three new securities. These were not sold to all comers, but were offered only to holders of older securities which were then maturing. Although the issue date was not until February 14, the purchase rights to these securities were selling at a premium, even before the issue date.

One of these February 14 issues was a 1-year certificate bearing a fixed rate of 2½ percent. Last Monday, buyers were bidding \$101 for this certificate in the New York market.

Another of the February 14 issues was a 3 percent bond maturing in February 1964. On Monday, buyers were offering \$103.16 for this bond.

The third security issued on February 14 was a 3½ percent bond to mature in February 1990. On Monday, buyers were offering \$106.26 for this bond.

Let me make it doubly clear what these prices mean. The Treasury received \$100 for the 3½ percent bond. That bond is now selling for \$106.26, which means that people who bought these bonds at par—which they could do on a small margin—have enjoyed a windfall of \$6.26 for every \$100 worth of bonds bought.

On February 28, the Treasury sold additional bonds. On this occasion it

arbitrarily decided that the bonds would bear 3 percent interest. These bonds, dated August 1966, were selling yesterday at \$103.20.

Certainly, this record suggests that—despite all the help and advice which it receives beforehand from the big dealers and banks who are going to buy its securities—the Treasury has not done a very good job of guessing the market in deciding what interest rates it will have to fix to sell its securities.

#### THE TREASURY ONLY LOSES BY GUESSING THE MARKET

But the important question is, why should the Treasury guess at all? Why should it ever set interest rates arbitrarily? This method of determining interest yields on its securities means that the Treasury will only sometimes guess precisely right, and many times will guess wrong. And on the times when it guesses wrong, it can only lose. If it guesses too high, it pays an unnecessarily high interest rate and gives the bond buyers a windfall. When it guesses too low, then the buyers do not buy, and the Treasury has to guess again. When it guesses precisely right, it sells the amount of securities it has to offer at the minimum rate at which the market will absorb them. And this could be accomplished by selling the securities on competitive bids in all cases.

#### COMPETITIVE BIDDING WOULD ELIMINATE GIVEAWAYS

Actually, the Treasury does sell some of its securities on competitive bidding. These are the 91-day Treasury bills. The Treasury issues these at par, but without a specified interest rate. It offers these bills on competitive bids and sells them to the buyers who offer to buy them at the lowest discounts. Actually, the Treasury accepts the bids, then looks to see what the amounts are that it can sell at the various prices offered. It then decides what the lowest price is it will accept, and lets the various bidders have the amounts that each has bid for, and at the price he has bid, where, of course, the bids are above the minimum price which the Treasury has decided it will accept. It is not committed to accept any bid at a price which it considers too low.

Competitive bidding is, of course, the method by which most private corporations sell their securities. It is, furthermore, the method by which the States sell their bonds. On April 15, when Governor Leader, the distinguished Governor of Pennsylvania, was testifying before the House Committee on Banking and Currency, I asked him about this matter and he assured me that the State of Pennsylvania would not think of selling its bonds except on the basis of competitive bids.

The Treasury of the United States should, in my opinion, sell all of its securities on the basis of competitive bidding and in no other way. When this method is followed, there is no guessing as to what the market is, and no shoveling out of windfall profits, or bonuses, to the banks and Government bond dealers and speculators, and no overloading the taxpayers with an unnecessary interest burden.



# SMART-MONEY SPECULATORS NOW IN UNITED STATES SECURITIES

According to Miss Sylvia Porter's article, which appeared in the Washington Evening Star yesterday, you do not find the smart-money speculators in the stock and commodity markets these days. You find them in the market for new United States Government securities. These are where the fortunes are being made. They are being made by the banks and the bond dealers who have big money and can take advantage of the giveaways which the Treasury is handing out. I invite the Members' serious reading of Miss Porter's article. It is as follows:

## YOUR MONEY'S WORTH (By Sylvia Porter)

### SMART-MONEY SPECULATORS

You'll not find a lot of smart-money speculators in their usual haunts these days—such as the markets for stocks, commodities, land, real estate.

You'll also find them in an area least likely to attract the in-and-outers looking for a fast buck. You'll find them in:

The market for new United States Government securities.

Nimble operators have made fortunes in this market since last fall. They are now back speculating in "free riding" Government securities on a scale not seen since the great war loan drives of World War II.

Here's the background:

Savings bonds don't trade in any market—but savings bonds are only a small part of the massive United States debt.

By far, the biggest portion of the national debt is in marketable securities carrying various coupons and due at various dates. These are traded in the open market just as other securities are traded. They go up in price when the trend of interest rates is down and vice versa.

### Fortunes made

Since last November, when the Federal Reserve System abandoned its tight-money policy and interest rates began to slide, Treasury securities have been in the fastest, most spectacular price upsurge of all history. Major financial institutions, big investors, and securities dealers in this market literally have made fortunes on the sensational rise.

Also, since last November, the Treasury has had to sell billions of dollars of new issues to raise cash. As is customary, it has offered each new issue at a price of par—100; it has asked a modest downpayment on subscriptions from other than banks; it has filled all small orders—very small being \$10,000—in full. As each new issue has been sold, it has risen sharply.

Now let's trace the operations of a speculator we'll call Joe during the Treasury's offering 2 weeks ago of new 2½-percent notes maturing in 1963 to raise \$3.5 billion of cash.

On Monday, April 7, the one day the Treasury was accepting orders to the new issue, Joe placed 10 subscriptions, each for \$10,000 of notes, through 10 different banks or brokers. For each subscription, Joe paid the required downpayment of 10 percent of \$1,000. His total investment, therefore, was \$10,000.

On Friday, April 11, the Treasury announced it had been swamped with orders for the new notes and it could fill only a fraction of each order—but it also announced that it would allot all subscriptions of up to \$25,000 in full. Thus, because he had spread his orders, Joe received \$100,000 of new 2½s in 10 blocks for his downpayment of \$10,000.

### Speedy profit

At this writing, the new notes are quoted at above 100%. In 2 weeks, Joe has made a profit of over \$750 or 7½ percent on his money.

And this deal is only a fair one. Last fall, the Treasury sold an issue of 4 percent bonds at 100; the bonds now are quoted at over 110. Assuming Joe followed the same procedure I've just outlined and he still owns the \$100,000 of 4s against his deposit of \$10,000, he has more than doubled his money in about 6 months. All other United States issues sold since last October have been almost as sensational successes.

Speculation in the Government market has now reached such proportions that the Treasury is deeply worried. "Free riders" can badly mess up the market if the price trend shifts.

So officials are considering ways to control the operators in the future—by, for instance, requiring stiffer downpayments on new issues and by demanding a 100 percent downpayment from all who subscribe for such minimum amounts as \$10,000.

Meanwhile, though, the smart-money men with know-how, nerve, and contacts really have cleaned up.

## MORE ABOUT STATEHOOD FOR ALASKA

The SPEAKER pro tempore (Mr. KEOGH). Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 30 minutes.

Mr. PELLY. Mr. Speaker, I qualify as one who was referred to on Tuesday, April 22, 1958, by my friend, the distinguished Delegate from Alaska [Mr. BARTLETT], when under special order to address the House he said:

A small minority of people in Washington State have expressed concern that statehood for Alaska might allow a comparatively few individuals in Alaska to rule the Alaska fishery.

Quoting from the remarks of my good friend, he said further:

The small group which has expressed this concern warns of its opposition to Alaska statehood unless the Secretary of the Interior gives assurances that the State of Alaska will promote the cause of fishery conservation and will afford protection and equal participation for nonresident fishermen.

The Delegate from Alaska then goes on to say that this alarm is wholly inappropriate and he cites it as proceeding from what he terms six false assumptions.

In brief, this is a list of his six assumptions. I quote his own words:

First. It proceeds from the false assumption that Alaskans would permit the management of their State government to be unresponsive to the will of the people, and that the State government would be the servant of a small group of individuals.

Second. It proceeds from the false assumption that Alaskans are not conservation conscious.

Third. It proceeds from the false assumption that statehood will be detrimental to the economy of the Northwest.

Fourth. It proceeds from the false assumption that Alaskans would wish to discriminate against nonresidents, that is, would impose—without reason or justification—restrictions upon nonresidents because they are not Alaskans.

Fifth. It proceeds from the false assumption that the bill defeated in the Alaska Legislature which would have taxed catches of salmon whose value exceeded \$20,000 was discriminatory against nonresidents.

Sixth. Finally, the alarm of the small Washington group proceeds from the false assumption that a State can lawfully discriminate against nonresidents in a manner forbidden to a Territory.

Since I, maybe more than anyone else, Mr. Speaker, lately have been vocal in my concern as to conservation and equal participation for nonresidents of Alaska, let me document the basis of such apprehension. This record shows if any of the above assumptions are false, and anyone reading this can be the judge.

On the Pacific coast and especially in Seattle and Puget Sound, there are thousands of residents whose livelihood historically has been derived from our fishery in Alaska. I am determined that the rights of these people shall not be bartered away in fine print or otherwise while people's minds are diverted with fine phrases having to do with bestowing rights under statehood.

Unfortunately, some of the most active backers of the statehood movement in Alaska have been a small selfish group identified with the local commercial fishing interests of the Territory. For years this group has tried by one means or another to eliminate the nonresidents from participation on an equal basis in Alaska fisheries resources. This effort consisted for the most part in promoting tax discrimination in the Territorial legislature. Nonresident interests have been continually fighting for their very existence as is evidenced by the listed discriminatory measures which follow.

### DISCRIMINATION BY ALASKANS

The discrimination practiced and sought to be practiced by the Alaska Legislature—and by the various Delegates from Alaska acting at the instance of the Alaska Legislature—is very real and not in any sense imaginary.

I have here a memorandum dealing with the discrimination attempted and accomplished between 1921 and 1955.

Nineteen hundred and fifty-five was not the end. Right now a new program of discrimination is being launched. I have seen a clipping dated March 19, 1958, from the Daily Alaska Empire published at the capital city of Juneau. The Territorial tax commissioner is quoted as advocating a further increase in the already discriminatory license fee exacted from nonresident fishermen. In this same article erroneous statements are made respecting the license fees required by Alaskans in my own State which I shall refute later on.

You can see why we are apprehensive. Listen to this:

### DISCRIMINATORY LICENSE TAXES IMPOSED ON RESIDENTS OF CONTINENTAL UNITED STATES BY ALASKA TERRITORIAL LEGISLATURE

Between 1921 and 1953 the Alaska Territorial Legislature enacted five laws designed to impose a discriminatory tax on the thousands of fishermen residing in continental United States who annually fish in Alaska waters. These acts are known as the nonresident tax laws. They have been the subject of constant litigation and the Supreme Court of the

United States in 1952 held that the Territorial legislature could not validly impose a discriminatory tax on citizens of the United States who fished in Alaska merely because they lived in continental United States. The Supreme Court ruling has not been accepted by the Territorial legislature. At the 1953 session the legislature with full knowledge of the Supreme Court ruling, imposed another discriminatory tax on nonresidents. To date the validity of this last act has not been challenged.

The five nonresident tax laws above mentioned are as follows:

First. Chapter 31, Session Laws of Alaska for 1921, imposed a \$5 license tax on nonresident fishermen and no tax on resident fishermen.

Second. Chapter 96 of the Session Laws of Alaska for 1929 imposed a license tax of \$250 on nonresident hook-and-line fishermen and \$1 on all classes of resident fishermen. The tax on nonresident seine fishermen was \$25. The act was held invalid by the Circuit Court of Appeals for the Ninth Circuit in *Freeman v. Smith* (5 Alaska Fed. 576, 5 Alaska Fed. 680).

Third. Chapter 30 of the Session Laws of Alaska for 1933 levied a license tax of \$25 on nonresident fishermen and \$1 on resident fishermen. The validity of the act was sustained by the Ninth Circuit Court of Appeals in *Anderson v. Smith* (5 Alaska Fed. 733).

Fourth. Chapter 66, Session Laws of 1949, levied a tax of \$50 on nonresident fishermen and \$5 on resident fishermen. The act was held invalid by the Ninth Circuit Court of Appeals and on an appeal the holding of invalidity was affirmed by the Supreme Court of the United States in *Mullaney v. Anderson* (72 Sup. Ct. 428, 13 Alaska 574, decided on March 3, 1952).

Fifth. By chapter 67 of the Session Laws of Alaska for 1953, which was enacted after the decision of the Supreme Court above mentioned, the legislature levied a license tax of \$10 on nonresident fishermen and \$5 on resident fishermen. The validity of this act as I said earlier has not been challenged to date.

**DISCRIMINATORY LEGISLATION INTRODUCED IN THE CONGRESS OF THE UNITED STATES BY DELEGATES FROM ALASKA PROHIBITING OR RESTRICTING RESIDENTS OF CONTINENTAL UNITED STATES FROM WORKING AND FISHING IN ALASKA ON AN EQUAL BASIS WITH RESIDENTS OF THE TERRITORY**

During the 20-year period from 1935 to 1955 at least 10 bills have been introduced in Congress by the Delegates from Alaska, discriminating against residents of the continental United States and restricting or denying their right to fish and work in the fisheries of Alaska. None of these bills have passed. Their introduction casts no reflection on Delegates Dimond and Bartlett. They were merely expressing the wishes of their constituents that residents of continental United States should be excluded from participation in the Alaska fishery. The views reflected in these proposed measures would, of course, be enacted into law if the control of the fisheries passed

to the Territory. These 10 bills are summarized as follows:

First. The earliest and most forthright was H. R. 8213 of the 74th Congress, 1st session, introduced by Delegate Dimond on May 24, 1935. The bill would not only prohibit the use of fish traps in Alaska waters but also restrict the right to fish by purse seines to residents of Alaska. All others would be excluded.

Second. In the 3d session of the 76th Congress, Delegate Dimond introduced H. R. 7988 and H. R. 8115 on January 17 and 24, 1940. The first of these bills sought to limit both the right to fish and the right to obtain employment in the fisheries to residents of the Territory. The second prohibited any but residents from fishing in Bristol Bay during the season of 1940.

Delegate Bartlett offered H. R. 3661 in the 79th Congress, 1st session, on July 3, 1945. This bill would have limited the right to fish by set nets and by purse seines in specific areas of Alaska to persons who had resided within 74 miles of these areas for a continuous period of 5 years.

Third. Between 1940 and 1947 Delegates Dimond and Bartlett offered four bills requiring the Secretary of Interior to insure priority of employment of both workers and fishermen to residents of Alaska. Delegate Dimond introduced H. R. 7987 in the 3d session of the 76th Congress on January 17, 1940, and H. R. 346 in the 1st session of the 78th Congress on January 6, 1943. Bartlett introduced H. R. 303 in the 1st session of the 79th Congress on January 3, 1945, and H. R. 182 in the 1st session of the 80th Congress on January 3, 1947. The four bills are substantially identical. They require the Secretary to force a discrimination against fishermen and fishery workers residing in continental United States.

Fourth. Delegate Dimond and Delegate Bartlett each offered a bill to relax the enforcement provisions of the fishery laws and regulations as to residents but not as to nonresidents. Delegate Dimond's bill was H. R. 7542 of the 2d session of the 76th Congress introduced September 24, 1939; Delegate Bartlett's bill was H. R. 192 of the 1st session of the 80th Congress introduced on January 3, 1947. The bills would have exempted the boats and gear of residents from seizure in case of apprehension for illegal fishing. Local enforcement officials could continue to seize the boats and gear of residents of continental United States.

Other bills of a similar nature were probably offered during this period but they have not been found. These are not false assumptions.

**MEMORANDUM REFUTING DISCRIMINATION BY THE STATE OF WASHINGTON**

My own State of Washington does not discriminate against residents of Alaska who desire to engage in the type of fisheries in the State of Washington which they are accustomed to pursue on their own fishing grounds.

I looked into this matter a year ago when I received a letter from a lady in

Juneau, Alaska, complaining about the discrimination she mistakenly believed to exist. I include here my answer:

HOUSE OF REPRESENTATIVES,  
Washington, D. C., May 24, 1957.

Mrs. MERNICE MURPHY,  
Juneau, Alaska.

DEAR Mrs. MURPHY: Please accept my thanks for your letter of April 11, commenting on the fishery problems of Alaska and the State of Washington with specific reference to resident and nonresident burdens imposed by each jurisdiction.

Please be assured that I do not favor the enactment of discriminatory laws by my own State any more than I do by the Territory of Alaska. But in my view, H. R. 315, enacted by the Washington Legislature, constitutes an effort to conserve the fishery resources of the State of Washington without discriminating against anyone. Any law which limits the taking of fish works a hardship on the commercial fisherman, whether he is a resident or nonresident. It is often impossible to distribute the burden of conservation equally.

It does seem to me that the residents of Alaska fared exceedingly well under H. R. 315. The area licensing provisions of the law have no practical application to seine fishermen because the Puget Sound licensing district embraces all of the waters of the State where seining is permitted. There is no other area for seines to transfer to. This is the type of fishing followed in Washington by Alaska residents. They are not hurt by the act.

The impact of the law is felt only by those who fish with gill nets. Since residents of Alaska do not fish in the State of Washington with gill nets, they are not affected by the law. I am informed that the records of the State department of fisheries show that 57 nonresidents purchased nonresident gill net licenses in 1956 and that none of these were Alaskans. It is fair to assume that our legislature had this situation in mind because it has enacted many laws giving special consideration to our Alaskan neighbors. I hope your practice will continue. That will be difficult, however, if the Alaska Legislature should enact the measures considered at the last session at Juneau. I refer to the bill imposing a 6-percent gross tax on fish caught and the \$1,000 license tax on gill net boats fished by company fishermen.

I am hopeful that these proposals will not impel our legislature to take retaliatory action. Two wrongs do not make a right.

Thank you for your refreshing interest in a problem of great magnitude but of vital concern to many.

Sincerely,

THOMAS M. PELLY,  
Representative in Congress.

The license fee for some of these types of gear is higher for nonresidents than for residents. It is obvious that since residents of the Territory do not operate these types of fishing gear in Alaska they are not likely to own them or have occasion to operate them in the State of Washington.

There is nothing discriminatory as to Alaskans about the area licensing provision of the Washington law. Alaskans fish with purse seines, and purse seines can be used only in the Puget Sound licensing district. They cannot transfer elsewhere because they are not permitted elsewhere. Since they cannot transfer they are not subject to the transfer fee. This rule applies equally to residents and nonresidents.



Let me just quote from remarks on this subject which I addressed to the House in April 1957:

Another important aspect of the statehood issue is the very obvious program of a certain group of Alaskans to eliminate nonresidents from employment in the fishing industry by discriminatory taxation. Such a tax which would levy a graduated tax on salmon after passing in the House died in the Alaska Territorial Senate on March 27, 1957, on an 8-to-8 vote. This proposal would have imposed a tax on the value of catches of salmon exceeding \$20,000. Local independent fishermen would thereby have been exempt from the tax while employee type of operations such as employing Washington, Oregon, and other State residents would be eliminated by such a confiscatory tax.

Notwithstanding the long and sorry history of political persecution, and, in turn, thanks to the fairness of other Alaskans, and finally thanks also to the wisdom of the Federal court in deciding against Territorial tax discrimination, the fishing industry has survived. Local Alaska selfish interests have heretofore not succeeded in destroying their competition and invalidating rights long established. But by a new scheme victory could be in sight.

Where frontal attack failed, a neat plan has evolved under the provisions of senate bill 30 which was passed by the Territorial legislature in 1957. This has opened the back door and the stage is set whereby under statehood the coup de grace will be delivered to all nonresidents in the fishing industry.

In a nutshell what senate bill 30 did was blanket into power the Alaska Fish and Game Commission which by this law is under the permanent and mandatory control of Alaska commercial fishing interests. So with the advent of statehood the management and regulation hitherto under the impartial jurisdiction of Federal Government and career conservationists would neatly be transferred to this commission with its majority membership limited to representatives of local commercial fishing interests. You can be sure the way is finally open so that by regulation and various devices at long last nonresident fishermen will be excluded from Alaska.

I have urged that provision be made so that the O'Brien bill can be amended. As I see it, any transfer of the management of Alaska's fisheries to the Alaska Fish and Game Commission should be subjected to certification by the Secretary of the Interior that he finds the new State management will be so constituted as to assure conservation, and likewise so as to assure protection and equal participation in the use of fisheries regardless of the users' place of residence.

I have suggested, and am prepared, if recognized when the statehood bill comes to the floor, to offer an amendment something along the lines of the following amendment, which I am sure would be welcomed by all individuals and organizations who have the interests of conservation as well as fairness at heart:

#### SUGGESTED AMENDMENT

Provided, That the administration and management of the fish and wildlife re-

sources of Alaska shall be retained by the Federal Government under existing law until the end of the calendar year following affirmative approval by Congress of a certification to Congress by the Secretary of the Interior that the Alaska State Legislature has made adequate provision for the administration, management, and perpetuation of said resources and that the same can be safely transferred to the State in the broad national interests.

As to the fish and game commission established by senate bill 30, it consists of seven members heavily weighted in favor of commercial fishing interests. It provides for including four commercial fisheries members, and further that four members of the commission shall constitute a quorum. It permits the four, by unanimous vote, to carry all motions, regulations, resolutions, and policy decisions. On the other hand, the recreational interests and conservation are given no protection.

Finally, let me quote from the statement of C. R. Gutermuth, vice president, Wildlife Management Institute, who represented conservation groups, before the Subcommittee on Territorial and Insular Affairs of the House Committee on Interior and Insular Affairs, in March of 1957, in testifying on this bill:

Mr. Chairman, the provisions in that new law will serve only one purpose—they will freeze the present commercial fisherman in office for several years, and assure the carry-over of current administrative policies and philosophies. Yes; to overcome any possibility, however remote, that any less commercially dedicated commissioners might get in office. Commercial fisheries is the industry of Alaska, and this law certainly sets the stage for looking after everything but the public's interest.

Mr. Speaker, I leave it to any fair-minded person as to whether or not my concern for conservation and fair treatment of nonresidents is based on false presumptions.

#### VETERANS HIT BY RECESSION

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, many of us are receiving mail that talks about the recession and the problems it creates. And some of the letters are of the kind that inevitably touch the feelings of every Member—the personal letters, the individual, heartfelt messages that express the troubles experienced by a single American citizen who cannot understand exactly while he is victimized by a situation and writes as to a friend seeking advice and presenting a problem.

Never mind the optimism now being expressed in high places by those who have a vested interest in claiming that the March unemployment figures suggest that the best of all possible worlds is about to return. Many of us know that, so far as our districts, our people, are concerned, this simply is not so.

Let me tell you about a letter from one young man who describes himself as among the many thousands who were recently discharged from the armed services and must come home to face the recession.

He is 21 years old and he is married. He has just completed more than 2 years of service in the Army. He went into the service as an enlisted man almost immediately after completing high school.

He thus had no job to return to. Serving as an enlisted man, and being married, he could not accumulate significant savings. He is not old Army and thus entitled to mustering-out pay that might tide him and his family over the readjustment period. During his joblessness he draws no unemployment compensation—he is not eligible, because when he was in service he had no job in private industry for which an employer paid taxes. And in the first month and a half after his discharge he could find no job.

He is not optimistic about the March 15 employment figures, as those are who are too well insulated by their own secure positions and cushioned by a temperament that does not quickly sympathize with the needs of those less well guarded and rewarded. He wrote his letter long after the March 15 figures were gathered on which the Alice-in-Wonderland optimistic statements were based. But he had no job.

Let me quote a minute from his letter. He writes:

In the Army, I feel that I have done a job that is important and essential to our great Nation's defense. I do not complain, for I was more than honored and proud to do my share.

Is that the letter of a whiner, of a man who feels sorry for himself, who wants merely to sit back and let a paternalistic state support him? You know that it is not.

He reads in the papers, he goes on:

They talk about extending the unemployment benefits. But what is to happen to those of us who have not the benefits to begin with? Are we not entitled to some type of consideration?

He does not begrudge his neighbors their jobless insurance that they have "worked for," although some younger than he have not yet fulfilled their military obligation. But "I, too, have worked, but am left to forage for myself with no benefits whatsoever."

Mr. Speaker, this is our problem, too. It has been more than 20 years since the Congress induced the States, by a tax nudge and by the threat of a Federal system if the States would not act, to establish unemployment compensation. Are we to pretend that we have done our job, when we know that the system is incomplete, that in many areas it is inadequate, that it does not do what it was supposed to do and thus does not function as it was supposed to function, as a humane protection to individuals and an economic cushion against the shocks of change and stress?

Are we to pretend that we have no concern with this man's joblessness, with

the fact that he is discharged from service at a time when jobs are hard to get? Are we to say that is just his hard luck and it is too bad he has to suffer, but that is the way the ball bounces in this great free-enterprise system and in our democracy, and probably after all the man and his wife will not starve to death or get too sick of malnutrition?

I say no, Mr. Speaker, and I beg this House to rise to its responsibilities. We all want to act wisely, but to say that we must act wisely and judiciously does not mean that we are excused from the obligation to move.

#### ISRAEL'S INDEPENDENCE DAY

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DINGELL. Mr. Speaker, 10 years ago, on May 14, 1948, an age-old dream was realized, a new state was born in the turbulent Middle East. On that day Jewish leaders in Palestine bravely took the destiny of their people into their hands and proclaimed the new State of Israel as a sovereign, independent entity. And President Truman promptly gave expression of the genuine feelings of the people of this country by recognizing the provisional government there as the de facto authority of Israel. No other step on the part of the Government of this country could have served the Israeli cause better. By that act we lent our moral support to Israel and, as events have proved, became its constant champion.

The citizens of this country have anxiously watched the birth and growth of Israel. Our financial and moral support to Israel has been and continues to be of decisive importance. At no time have we lost sight of the security needs and of the welfare of Israel. It might even be said that the Middle Eastern policy of our Government is geared to the stability and security of Israel as a sovereign state and the inviolability of her existing frontiers.

In the restless decade since her birth, Israel has taken her place in the family of nations. She has become a powerful force in the Middle East, one to be reckoned with. With her democratic form of government and with her highly skilled and trained industrial workers, she is becoming the industrial center of the Middle East. Keenly conscious of the dangers threatening her independence and her very existence, she had built a very efficient and mobile defense force which is regarded as the strongest fighting force in the whole region. In a short decade Israel has become a dynamic, vigorous, and growing state.

On the occasion of the celebration of her 10th independence day we wish the Israeli citizens peace and prosperity and happiness. And let us hope Israel will remain a real force for peace in the Middle East, a force for democracy and for freedom.

#### TENTH ANNIVERSARY OF ISRAEL'S INDEPENDENCE

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ASHLEY] may extend his remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ASHLEY. Mr. Speaker, May 6 marks the 10th anniversary of Israel's independence—a day that symbolizes achievement to all freedom loving people the world over.

Only last October I had the gratifying assignment of visiting Israel to observe firsthand and report on the effectiveness of the Export-Import Bank loan program in developing and stabilizing the economy of this relatively infant country and I came away imbued with a renewed inspiration and pride in what our loans are doing to help this industrious and progressive nation achieve its humanitarian goals.

Israel came into existence 10 years ago by the will of the civilized world. It established a democracy—gave equal rights to its citizens and set about transforming the land from a barren desert to a veritable showpiece of man's ability to bend nature to his will. Every day, in fact, the desert is being pushed back in a grim race to keep Israel's economy abreast of the needs of a population that increases 10,000 monthly from immigration alone.

Our help to this deserving nation not only costs the United States nothing, it actually earns us solid returns in two ways: First, by paying interest to our Government for loans made by the Export-Import Bank—and here it is important to note that Israel has never been delinquent in paying off her debt; and second, by providing a market for American machinery, agricultural equipment and capital goods, since only American products can be purchased with the money loaned.

But the real payoff is in terms of the intangibles. The immense satisfaction and rich reward that comes from the knowledge that we are sharing in this dramatic race to meet the challenge of providing a place for every displaced, exiled and persecuted Jew who wants to make a new life and of helping these immigrants transform wasteland into rich orchards and farms and backward villages into modern cities.

Like America, Israel is a nation of pioneers, of diverse origin held together by a common faith and beliefs. She has struggled against great odds and has proved that she not only can survive but can thrive in spite of insurmountable obstacles. I want to take this occasion to salute Israel on her spectacular, if not miraculous political, social and economic achievement in the short span of 10 years and to express the hope that she will continue to stand as a beacon of democracy and a refuge for the oppressed for centuries to come.

#### CONGRESS MUST ACT TO GIVE SMALL BUSINESS ACCESS TO CAPITAL

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may tend his remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the experiences I have had in investigating and studying the problems of small business, as a member of the Select Committee on Small Business, have long since demonstrated to me this simple truth: If we are to hope that small business will continue to be a feature and a part of the American business system, we must take some new step to see that small firms have access to capital.

This capitalistic system of ours is one of which we are very proud. We know that if the Government plays its proper role in making the necessary adjustments which only the Government can make, and in taking the pioneering steps which only Government can take, this system will continue to produce better and serve our national needs better than any other system. But just as the name of the system implies, it takes capital to do business in this system. Small firms do not now, and cannot now, obtain the capital they need. As the private capital market is presently organized, it offers little or no practical opportunity for small firms to obtain capital. There is nowhere that small firms can go to obtain either equity capital or long-term debt capital such as the big corporations obtain from the central stock and bond markets.

Surely this is a place where Government should lead the way. In view of the vital function which small business performs in our scheme of things, certainly the Government should do some pioneering to help private capital find its way into small firms.

As the Members know, this is a problem with which I have long been most earnestly concerned. Together with several other members of the Select Committee on Small Business, I have sought to find and to suggest a workable solution to this problem. As a result, I was highly gratified several months ago to be able to introduce a bill, along with several of my colleagues, which has seemed to me to offer the solution which we had been seeking. This is a bill which would create a System of Small Business Capital Banks.

It is a source of further gratification to me that on Monday the distinguished majority leader of the Senate, along with several other distinguished Members of the Senate, introduced a bill for the same purpose. This new bill, furthermore, has, as I understand it, the blessings and the endorsement of the Honorable William McChesney Martin, Jr., Chairman of the Federal Reserve Board, who testified before one of the Senate committees on this matter on Monday. Chairman Martin has recently transmitted to Congress an exhaustive



survey and study of this very problem, and it is encouraging to note that he has reached the same conclusion as to the need for some new agency, and as to the need for the Government's help in establishing this agency, which had already been reached by me and several of my colleagues on the Small Business Committee. I might add that substantially all of the members of the staff of the Federal Reserve System and the distinguished economists whom the Federal Reserve System invited to participate in its study, likewise expressed the view that inadequate access to capital is a major handicap which is crippling small business.

I have today introduced a bill, which is a companion bill to the bill introduced in the Senate by the distinguished majority leader, Senator JOHNSON. This I have done, not because I think this new bill is superior to the bill I previously introduced, but because it is a good bill which the House should consider, and because I am willing to accept any good bill which will get the job done that needs to be done. My principal concern is that we should pass a bill that we can all agree to promptly. The problem is most pressing; and the need to get some small business financing machinery in operation quickly is of the utmost urgency. The values which are at stake here are plainly too great to be put behind pride of authorship.

There can be no doubt as to the need for the legislation embodied in this bill, and it would be inexcusable if we should fail to enact legislation to carry out the purpose of this bill in the present Congress. I know that a great many Members of the House share my concern in this matter and are as anxious as I am that we should do what needs to be done. I hope that we all will have a chance to act on this matter very shortly.

#### LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MILLER of California, for 4 days, on account of official business—Board of Visitors, United States Air Force Academy.

To Mr. CHENOWETH, for the balance of the week, to attend the meeting of the Board of Visitors to the Air Force Academy in Colorado Springs and Denver.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PELLY, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. HOLFIELD, for 45 minutes, on Thursday next.

Mr. DINGELL (at the request of Mr. MULTER), for 2 hours, on Monday, May 5.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL

RECORD, or to revise and extend remarks, was granted to:

Mr. KEATING in two instances and to include extraneous matter.

Mr. RADWAN.

Mr. VAN ZANDT (at the request of Mr. AVERY).

Mr. ENGLE.

#### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 488. An act for the relief of Eva S. Winder; to the Committee on the Judiciary.

S. 1879. An act for the relief of Casey Jimenez; to the Committee on the Judiciary.

S. 2033. An act to provide for the Board of Trustees of the Postal Savings System to consist of the Postmaster General and the Secretary of the Treasury; to the Committee on Post Office and Civil Service.

S. 2127. An act to amend section 3 (d) of the Federal Employees' Group Life Insurance Acts of 1954, relating to the reduction in amounts of insurance of persons over the age of 65; to the Committee on Post Office and Civil Service.

#### ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colo., and for other purposes;

H. R. 8437. An act to amend the act of August 3, 1956, to authorize certain personnel of the uniformed services to accept and wear decorations conferred by the Philippine Government; and

H. R. 9240. An act to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes.

#### JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 588. Joint resolution making advance procurement appropriations for the fiscal year 1958, and for other purposes.

#### ADJOURNMENT

Mr. MULTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.), the House adjourned until tomorrow, Thursday, April 24, 1958, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1847. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract with Eugene E. Gillette

which will authorize him to operate an automobile service station in Grand Teton National Park, Wyo., for a period of 10 years from January 1, 1958, pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

1848. A letter from the Acting Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation entitled "A bill to amend subsection (b) of section 60, preferred creditors; subsection (e) of section 67, liens and fraudulent transfers; and subsection (e) of section 70, title to property, of the Bankruptcy Act (11 U. S. C. 96b, 107e, and 110e); to the Committee on the Judiciary.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLS: Committee on Ways and Means. H. R. 12065. A bill to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing unemployment compensation laws, and for individuals who were employed in noncovered employment; without amendment (Rept. No. 1656). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 2677. A bill for the relief of S. Sgt. Edward R. Stouffer; without amendment (Rept. No. 1630). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2934. A bill for the relief of Tomás Clemente González; with amendment (Rept. No. 1631). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H. R. 4056. A bill for the relief of the estate of Katherine Flower Runyon, deceased; without amendment (Rept. No. 1632). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4985. A bill for the relief of Cesar Garcia; without amendment (Rept. No. 1634). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5584. A bill for the relief of Mrs. Maude L. Smith; with amendment (Rept. No. 1634). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5922. A bill for the relief of William Lavallo; with amendment (Rept. No. 1635). Referred to the Committee of the Whole House.

Mr. MONTROYA: Committee on the Judiciary. H. R. 6405. A bill for the relief of Arnie W. Lohman; with amendment (Rept. No. 1636). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 7058. A bill for the relief of Frank L. and Evelyn M. Bussmann; with amendment (Rept. No. 1637). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7752. A bill for the relief of Winford Jesse Thompson; without amendment (Rept. No. 1638). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8046. A bill for the relief of Joaquin

A. Bazan; with amendment (Rept. No. 1639). Referred to the Committee of the Whole House.

Mr. CRETELLA: Committee on the Judiciary. H. R. 8231. A bill for the relief of certain employees of the Department of the Navy at the United States Naval Gun Factory, Washington, D. C.; with amendment (Rept. No. 1640). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8831. A bill for the relief of Joseph R. Burger; without amendment (Rept. No. 1641). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8833. A bill for the relief of S. A. Romine; without amendment (Rept. No. 1642). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8875. A bill for the relief of Mr. and Mrs. George Holden; without amendment (Rept. No. 1643). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9181. A bill for the relief of Herbert H. Howell; with amendment (Rept. No. 1644). Referred to the Committee of the Whole House.

Mr. CRETELLA: Committee on the Judiciary. H. R. 9608. A bill for the relief of Dorman William Whitton; without amendment (Rept. No. 1645). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 9881. A bill for the relief of Mitsuo Arita; without amendment (Rept. No. 1646). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 4044. A bill for the relief of Mirko J. Pitner; with amendment (Rept. No. 1647). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 5084. A bill for the relief of Maria Alma Dizon; with amendment (Rept. No. 1648). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 7729. A bill for the relief of August Widmer; without amendment (Rept. No. 1649). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7987. A bill for the relief of Maria Giannalla; without amendment (Rept. No. 1650). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 10035. A bill for the relief of Federico Luss; without amendment (Rept. No. 1651). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1578. An act for the relief of Hovhannes H. Haldostian; without amendment (Rept. No. 1652). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1943. An act for the relief of Norma Josephine Hodges Dowd; without amendment (Rept. No. 1653). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1979. An act for the relief of Barbara Hollinger; without amendment (Rept. No. 1654). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 67. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; without amendment (Rept. No. 1655). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 12112. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a domestic parity plan for wheat; to the Committee on Agriculture.

By Mr. BAILEY:

H. R. 12113. A bill to amend the Tariff Act of 1930 to reduce the duty imposed upon the importation of certain optical gas testing devices; to the Committee on Ways and Means.

By Mr. BYRNES of Wisconsin:

H. R. 12114. A bill to provide, where a State or local retirement system has been divided into two parts under section 218 (d) (6) of the Social Security Act so as to obtain coverage for only those employees who desire it, for the transfer of certain additional employees to the part consisting of those desiring such coverage; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 12115. A bill to amend chapter VIII, wage earners' plans, of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 12116. A bill to amend title 18 of the United States Code so as to prohibit certain acts involving the importation, transportation, possession, or use of explosives, and for other purposes; to the Committee on the Judiciary.

By Mr. DAWSON of Utah:

H. R. 12117. A bill to amend sections 2275 and 2276 of the Revised Statutes with respect to certain lands granted to States and Territories for public purposes, and to amend the act of March 4, 1915, as amended (48 U. S. C. sec. 353); to the Committee on Interior and Insular Affairs.

By Mr. DELLAY:

H. R. 12118. A bill to amend the Merchant Marine Act of 1936, to provide for utilization of commercial marine terminal facilities by the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. DEROUNIAN:

H. R. 12119. A bill to amend section 408 of the Housing Amendments of 1955 with respect to State and local taxation of Wherry Act housing projects; to the Committee on Banking and Currency.

By Mr. FULTON:

H. R. 12120. A bill to amend the Internal Revenue Code of 1954 to increase the depletion allowance for coal and lignite; to the Committee on Ways and Means.

By Mr. GRAY:

H. R. 12121. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. GRIFFIN:

H. R. 12122. A bill to amend section 701 of the Housing Act of 1954 to provide that urban planning grants thereunder may be made directly to cities and other municipalities, instead of through a State planning agency, in any State where no such agency exists; to the Committee on Banking and Currency.

By Mr. HAGEN:

H. R. 12123. A bill to provide more effective price, production adjustment, and marketing programs for cotton and feed grains; to the Committee on Agriculture.

By Mr. HUDDLESTON:

H. R. 12124. A bill to provide for the erection of a Woodrow Wilson memorial in the District of Columbia; to the Committee on House Administration.

By Mr. MAILLIARD:

H. R. 12125. A bill to amend the Intercoastal Shipping Act, 1933 (47 Stat. 1425), as amended, to authorize incorporation of con-

tract terms by reference in short-form documents; to the Committee on Merchant Marine and Fisheries.

By Mr. MATTHEWS:

H. R. 12126. A bill to provide further protection against the introduction and dissemination of livestock diseases, and for other purposes; to the Committee on Agriculture.

H. R. 12127. A bill to provide for a program of Federal grants-in-aid to assist the States to establish and maintain science and technological centers providing adequate facilities for advanced education and research in certain fields of science and engineering; to the Committee on Education and Labor.

By Mr. MILLER of California:

H. R. 12128. A bill to amend the Intercoastal Shipping Act, 1933 (47 Stat. 1425), as amended, to authorize incorporation of contract terms by reference in short-form documents; to the Committee on Merchant Marine and Fisheries.

By Mr. O'BRIEN of New York:

H. R. 12129. A bill to authorize the Secretary of the Navy to acquire certain land on the Island of Guam; to the Committee on Armed Services.

By Mr. QUIE:

H. R. 12130. A bill to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small-business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes; to the Committee on Banking and Currency.

By Mr. REES of Kansas:

H. R. 12131. A bill to amend the national defense amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H. R. 12132. A bill to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes; to the Committee on Banking and Currency.

By Mr. THOMSON of Wyoming:

H. R. 12133. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WESTLAND:

H. R. 12134. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAMBERLAIN:

H. R. 12135. A bill to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small-business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes; to the Committee on Banking and Currency.

By Mr. FISHER:

H. R. 12136. A bill to amend the Career Compensation Act of 1949 relating to the transportation of house trailers upon permanent change of station of members of the armed services; to the Committee on Armed Services.

By Mr. MOSS:

H. R. 12137. A bill authorizing the construction of Bullards Bar multiple-purpose reservoir on the North Fork of the Yuba River, Sacramento-San Joaquin River Basin, Calif., and for other purposes; to the Committee on Public Works.

By Mr. SCHWENGLER:

H. R. 12138. A bill to provide an additional limited deduction for investment by small business in depreciable property; to the Committee on Ways and Means.

H. R. 12139. A bill to amend the Internal Revenue Code of 1954 to increase from \$25,000 to \$100,000 the amount exempted from the



surtax on corporate taxable income; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 12140. A bill to amend the act of December 2, 1942, and the act of August 16, 1941, relating to injury, disability, and death resulting from war-risk hazards and from employment suffered by employees of contractors of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. BEAMER:

H. Con. Res. 318. Concurrent resolution to establish an International Court of Habeas Corpus; to the Committee on Foreign Affairs.

By Mr. CHRISTOPHER:

H. J. Res. 591. Joint resolution to reaffirm national policy to aid and encourage the establishment, operation, and growth of farmer cooperatives as an effective and proven means of helping farmers help themselves to achieve a free, expanding, and prosperous agriculture; to the Committee on Agriculture.

### MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to make available surplus farm products to correctional institutions; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United

States to repeal the Federal excise taxes on transportation of persons and property; to the Committee on Ways and Means.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 12141. A bill for the relief of Anthony C. Traina and Julius Traina; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. R. 12142. A bill for the relief of Rosario Buscemi; to the Committee on the Judiciary.

By Mr. CRAMER (by request):

H. R. 12143. A bill for the relief of Capt. Edward Nelson Dingley, Jr.; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H. R. 12144. A bill for the relief of Paul E. Nolan; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 12145. A bill for the relief of Ida Colalizzi Di Benedetto; to the Committee on the Judiciary.

H. R. 12146. A bill for the relief of Athina Miranda Limberliou; to the Committee on the Judiciary.

By Mr. GAVIN:

H. R. 12147. A bill for the relief of Juana Domenech; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 12148. A bill for the relief of Shih-Kung Kao; to the Committee on the Judiciary.

By Mr. MCINTIRE:

H. R. 12149. A bill for the relief of Wilfred L. Saucier; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 12150. A bill for the relief of Grace Yung-Chen Yuan Shu, Maurice Shu, May Shu, Marjorie Shu, and Lily Shu; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 12151. A bill for the relief of George W. Roberts; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. R. 12152. A bill for the relief of Carmela Adele Falanga-Graziano; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 12153. A bill for the relief of Sachiko Yamanaka; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 12154. A bill for the relief of Ernest T. Stephens; to the Committee on the Judiciary.

H. R. 12155. A bill for the relief of Yoko Kawamura; to the Committee on the Judiciary.

### PETITIONS, ETC.

Under clause 1 of rule XXII,

590. Mr. BUSH presented a petition of members of American Legion Post 273, Bloomsburg, Pa., urging favorable action on legislation to grant pensions for all veterans of World War I; to the Committee on Veterans' Affairs.

## EXTENSIONS OF REMARKS

### H. R. 968 Permits Homeowners to Deduct for Income Tax Purposes Expenses of Home Repairs Up to \$500 Annually

#### EXTENSION OF REMARKS

OF

**HON. JAMES E. VAN ZANDT**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1958

Mr. VAN ZANDT. Mr. Speaker, if the leaders of Government are looking for a method of tax relief to bolster the Nation's economy and at the same time make a contribution toward the betterment of community, State, and Nation, they would do well to consider seriously the merits of my bill, H. R. 968, which I introduced January 3, 1957.

H. R. 968 is a bill to permit a homeowner to deduct for income-tax purposes up to the amount of \$500 for money spent on ordinary and necessary repairs to his home. All that would be necessary would be for the homeowner to submit with his income-tax return an itemized account of home repairs, which would include painting, papering, repairing porches, roofs, spouting, and so forth. As you know, the owner of a rented dwelling under existing law is entitled to deduct such expenses, and my bill merely extends the privilege to the homeowner's dwelling used as his own residence.

Mr. Speaker, for a moment stop and think of the effect this type of legislation will have on the economy of the Nation, because it will promote employment and at the same time increase the sale of paint, hardware, lumber, wallpaper, and numerous other items of building material used to make home improvements.

Mr. Speaker, I originally introduced this bill in the 84th Congress, and at that time the Treasury Department submitted an adverse report to the House Committee on Ways and Means. However the economic conditions of the country have changed considerably since the adverse report was rendered in 1955.

President Eisenhower has proposed that people start buying the things they need, and in this connection I can think of no better stimulant to our free enterprise system than to encourage the homeowners of America to fix up and paint up their homes.

who cherish freedom can join the citizens of the new State of Israel on the 10th anniversary celebration of her independence day. We have always been keenly conscious and fully sympathetic to the sufferings of the Jews. We have been amazed by their exemplary fortitude in adversity. We have profound admiration for their firm determination to pursue their national goal. Today we are deeply moved by their accomplishments and advancements in their newly-created state which is already firmly established as a democratic and progressive country. I join the citizens of Israel on the observance of this solemn occasion and wish them joy and happiness in their ancient homeland.

### Rumanian Independence Day

#### EXTENSION OF REMARKS

OF

**HON. KENNETH B. KEATING**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1958

Mr. KEATING. Mr. Speaker, May 10 is celebrated by freedom-lovers all over the world as Rumanian Independence Day. This day has even deeper significance than ever this year, since the brave people of Rumania today suffer under the yoke of a foreign tyranny.

### Tenth Anniversary of State of Israel

#### EXTENSION OF REMARKS

OF

**HON. EDMUND P. RADWAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1958

Mr. RADWAN. Mr. Speaker, this is a great day for the people of Israel and for Jewish people everywhere. All men

For the Rumanian people, enslaved first by the Nazis and then by the Communists, the sunlight of freedom shone all too briefly. But the will to be free, the desire for liberty, cannot forever be curbed.

Rumania today is a restive land. More and more its Communist overlords become anxious and fearful as they watch the backlash of their years of brutality and suppression take form. Perhaps even the men in the Kremlin are slowly coming to the realization that tyranny cannot survive man's urge for freedom.

I am happy today to join with all freedom-loving Rumanians in honoring their former independence. We in this country can well take this occasion to again pledge our efforts to help the courageous people behind the Iron Curtain in their determined efforts to regain their independence.

We in the United States must not, and will not, forget our friends in Rumania. We hope and pray for the day when America and Rumania will again meet on the common and hallowed ground of liberty.

### National Guard Should Be Kept Strong

#### EXTENSION OF REMARKS

OF

### HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1958

Mr. ENGLE. Mr. Speaker, this week a number of the adjutant generals of the Army National Guard are in Washington to protest the Department of Army's announced plan for the National Guard and the Army Reserve.

In broad terms, the Army's plan calls for the elimination of 6 National Guard divisions and more than a thousand nondivisional units—one-third of the present Army Guard; for the elimination of 4 Army Reserve divisions; and for the reduction in the aggregate national strength of the Army National Guard from 404,000 to 360,000. In the State of California alone this will mean a loss of approximately 80 company size units and the elimination of over 2,000 officers and enlisted men.

The Army's plan represents a serious threat to the vigor and stability of our first line of defense.

Maj. Gen. William H. Harrison, president of the National Guard Association, has declared that:

It is ridiculous to pretend that we are modernizing our Reserve forces by cutting them by one-third; that it is sheer pretense to maintain that utter and complete elimination of strong, well-officered, well-manned, well-trained, and well-equipped National Guard units is a progressive step.

In February of this year full hearings on this matter were held before Representative OVERTON BROOKS' Armed Services Subcommittee. Both sides were given a conscientious hearing. And when the hearings were concluded the

full committee unanimously adopted resolutions supporting an Army Guard strength of 400,000 and an Army Reserve strength of 300,000. Furthermore, the resolutions called for sufficient funds for an input of 55,000 nonprior servicemen into 6 months' training, and directed that the revised troop basis for the Army National Guard be developed with the approval of the States and Territories.

Yet the Department of the Army is obstinately sticking to its plan.

The National Guard has been accused of bucking modernization of our defense forces. The facts tell a different story. The record plainly shows that the National Guard is eager to keep pace with the fast-moving world of modern warfare. The National Guard has been accused of being motivated by sentiment and tradition in opposing the Army's plan. The guard, it is true, abounds in tradition. But in deploring the Army's proposals it is motivated by the very sound and realistic conviction that it makes no sense to cripple our first line of defense while our potential enemy continues to build its military strength.

The House Appropriations Committee is now considering the Department of the Army's recommended budget cuts for the National Guard and the Army Reserve. It is my earnest hope that the committee will think twice before supporting these budget cuts. It is my hope that in considering a disarmament move on our part the committee will not fail to keep in mind that no announced plans for disarmament have been heard from our potential enemy.

### Let's Bring Our Wiretap Laws Up to Date

#### EXTENSION OF REMARKS

OF

### HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1958

Mr. KEATING. Mr. Speaker, I have today introduced two wiretapping bills designed to augment the Justice Department's organized crime drive and generally to bring our communications laws up to date. These bills have been drafted to meet new conditions and thus expand and make more explicit portions of a wiretapping bill I have sponsored for a number of years in Congress.

One bill would reverse a recent Supreme Court decision by giving Congressional approval to wiretapping by State officials when authorized by State law. Such evidence would be admissible in both State and Federal courts.

The second bill would permit agents of the FBI, Bureau of Narcotics, Internal Revenue Service, and Secret Service to tap wires in felony cases where authorized by the heads of their departments. It would also allow the introduction in evidence of information thus obtained if a Federal court order authorizing the tap had been secured in advance. Under

the bill, all unauthorized interceptions, not just interception and divulgence, would be proscribed.

These two bills are designed to clarify and extend a wiretapping bill I have sponsored for a number of years, in the light of a recent court decision and the coordinated drive by the Federal Government against organized crime. The portion of my original bill, which would allow wiretapping by Federal officials in national security cases, is still sound and necessary and should be enacted. But recent developments have highlighted the need for broader and pinpointed legislation dealing with certain parts of my original bill.

Congress never intended to prohibit State officials from tapping wire when authorized by State law. My first bill would set this straight and at the same time correct the Supreme Court's *Benanti* decision. This bill spells out explicitly that evidence obtained by authorized State wiretapping would be admissible in Federal and State court. Enactment of this measure would give State officers the weapons with which to complement and coordinate effectively with the Federal Government's efforts to curb big-time crime in this country.

The State-authorized wiretapping approval by Congress would be especially helpful in New York State, which for some time has made careful and effective use of its wiretapping laws. Since many of the kingpins of organized crime in America operate in and out of this State, and the drive will be initially concentrated there, use of wiretapping by State officials can be of inestimable help. I would estimate conservatively that over half of the 100 top hoodlums sought by the Justice Department have their roots in the Empire State. Proper wiretapping can help wipe out the power of invisible government which has infected portions of the State.

The second bill would, under proper safeguards, allow the Federal agents most directly concerned in the anti-crime drive to tap wires in important cases. It expands the tapping right beyond the FBI, as provided in my original bill, to all agencies working to curb organized crime in the new campaign. This is in keeping with the need for coordinating the work of all these agencies which is the keystone of the drive.

By requiring executive approval for taps and, in addition, judicial approval for court use, the bill assures that innocent individuals involved would be amply protected. Thus, it in no sense provides a *carte blanche* to law enforcement agencies, but simply makes our laws more realistic and more attuned to the *modus operandi* of the modern criminal.

In addition, it would strike hard at all snooping by outlawing all interceptions by unauthorized persons. This would tighten the present statute, which requires interception and divulgence before the law is broken. Thus, private eyes and other telephonic snoopers could be stopped in their tracks. The law would not have to wait until the damage had been done before stepping in to prosecute.



Radio, telegraph, and telephone lines are now efficient and dangerous channels through which criminal conspiracies can operate with impunity. Our present laws make the wires a sanctuary for criminal elements while blocking their use to those who are trying to protect the public.

Giving Federal and State agents the power to tap wires, under trustworthy surveillance, would shut off this legalistic no-man's land for criminality. It would allow tried and true Federal agencies to act swiftly where great need was demonstrated. It is one of the most effective means by which Congress can implement the Justice Department's full-scale war on bigtime crime.

Congress has dallied long enough in modernizing our communications laws. Now, while the iron is hot and the Government is about to make an all-out drive on the big-shot crooks, is the time to give them the tools to do it. I hope Congress will respond with the action so sorely needed.

Texts of the two bills follow:

A bill to amend chapter 223 of title 18 of the United States Code to permit the introduction into evidence of certain communications intercepted by State law-enforcement officers, and for other purposes

*Be it enacted, etc.,* That chapter 223 of title 18 of the United States Code is amended by adding at the end thereof the following:

"§ 3501. Evidence of intercepted communications.

"(a) There may be introduced in any court of the United States evidence relating to the existence, contents, substance, purport, effect, or meaning of any communication by wire or radio which has been intercepted by any law-enforcement officer or agency of any State or political subdivision thereof, where the interception of such communication was authorized by the laws of

such State and was carried out in conformity with such laws.

"(b) No law of the United States shall be held to prohibit the interception of any communication by any law-enforcement officer or agency of any State or political subdivision thereof, or the introduction in any State court of evidence relating to such communication, where the interception of such communication is authorized by the laws of such State and is carried out in conformity with such laws.

"Sec. 2. The analysis of chapter 223 of title 18 of the United States Code is amended by inserting immediately below

"3500. Demands for production of statements and reports of witnesses."

the following:

"3501. Evidence of intercepted communications."

A bill to authorize the interception of communications by certain investigational agencies of the Government, to establish a procedure for the admission into evidence of information so obtained, and for other purposes

*Be it enacted, etc.,* That no person shall intercept or attempt to intercept any communication by wire or radio, not being authorized in advance by the sender or recipient thereof, except (1) authorized agents of the Federal Bureau of Investigation of the Department of Justice upon the express written approval of the Attorney General of the United States, and (2) authorized agents of the Internal Revenue Service, the Bureau of Narcotics, and the United States Secret Service of the Department of the Treasury upon the express written approval of the Secretary of the Treasury of the United States, in the course of any investigation to detect or prevent any felony as defined in the United States Code, as amended, and conspiracies to commit any such felony.

Sec. 2. Information lawfully obtained after the effective date of this act through the interception of any communication by wire or radio in accordance with the provisions of Section 1 of this act shall, notwithstanding the provisions of section 605

of the Communications Act of 1934 (48 Stat. 1103), be deemed admissible, if not otherwise inadmissible, in evidence in any criminal proceedings in any court established by Act of Congress in criminal cases covered by Section 1 of this act: *Provided*, That prior to intercepting the communications from which the information is obtained, an authorized agent of any one of said investigational agencies shall have been issued an ex parte order by a judge of any United States Court of Appeals or a United States district court, authorizing the agent to intercept such communications. Upon application by any authorized agent of any one of said investigational agencies to intercept communications in the conduct of investigations pursuant to this section, a judge of any United States Court of Appeals or a United States district court may issue an ex parte order, signed by the judge with his title of office, authorizing the applicant to intercept such communications, if the judge is satisfied that there is reasonable cause to believe that such crime or crimes have been or are about to be committed and that the communications may contain information which would assist in the conduct of such investigations.

Sec. 3. No person shall divulge, publish, or use the existence, contents, substance, purport, or meaning of any information contained in any aforesaid ex parte order or obtained pursuant to the provisions of this act otherwise than for the purpose hereinbefore enumerated.

Sec. 4. Any person who willfully and knowingly violates any provisions of this act shall be fined not more than \$5,000 or imprisoned not more than 1 year and a day, or both.

Sec. 5. All carriers subject to the Communications Act of 1934 (48 Stat. 1103) are authorized to permit such interception and disclosure of any such communications by wire or radio.

Sec. 6. If any provision of this section or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of this section and the applicability of such provision to other circumstances shall not be affected thereby.

## SENATE

THURSDAY, APRIL 24, 1958

The Senate met at 10:30 o'clock a. m. The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our God and Father, from whom all holy desires, all good counsels do proceed, rise mercifully with the morning upon our darkened hearts. We are conscious of our woeful inadequacy to sit in the seats of judgment, to balance the scales of justice, and to respond with equity to the myriad calls of human need. Wilt Thou crown the deliberations of Thy servants here with Thy wisdom and with spacious thinking. Redeem our failures, we beseech Thee; pardon our transgressions, transform every task into a throne of service, and crown this day of labor with the benediction of Thy "well done" and of Thy peace. We ask it in the dear Redeemer's name. Amen.

## DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D. C., April 24, 1958.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,

President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

## THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 23, 1958, was dispensed with.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its

reading clerks, announced that the House had passed a bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws, in which it requested the concurrence of the Senate.

## HOUSE BILL REFERRED

The bill (H. R. 11378) to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs related to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such